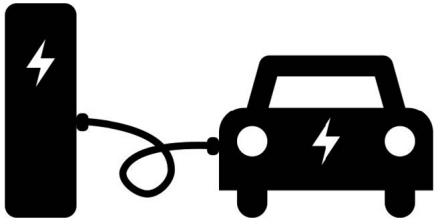


Clean Car Tax Credit passes first committee

Written by Staff Reports
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SANTA FE — Gov. Michelle Lujan Grisham’s proposal for a new tax credit to help New Mexicans purchase zero-emission cars and light trucks cleared its first committee on Jan. 23.

The House Energy, Environment and Natural Resources Committee voted 6-3 to recommend passage of House Bill 140.

The bill would create new temporary income tax credits for electric vehicles, plug-in hybrid electric vehicles and other zero-emission vehicles. The bill also proposes tax credits for home and commercial electrical vehicle chargers.

The bill is sponsored by Reps. Dayan Hochman-Vigil and Yanira Gurrola and Sen. Bill Tallman.

“We know there’s consumer demand for these vehicles, and our complementary Clean Car Rules and these tax credits ensure these vehicles are more affordable and accessible to every New Mexican,” Lujan Grisham said.

“The New Mexico Environmental Improvement Board in November approved new clean transportation standards that require automakers to increase the percentage of zero-emission vehicles delivered to New Mexico dealerships. The tax credits will make electric vehicles more affordable to New Mexicans as more of these vehicles become available in the state.

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“With this state tax credit, New Mexicans will soon have greater consumer choice as new and used clean vehicles will become even more affordable,” Environment Department Cabinet Secretary James Kenney said. “Owning or leasing an electric vehicle improves air quality while reducing water pollution and saves the driver money as compared to gas and diesel vehicles.”

Transportation emissions is the second largest source of greenhouse gas emission in New Mexico and these emissions contribute to the formation of smog – a pollutant that causes respiratory problems. In addition, New Mexico taxpayers have spent over \$17.5 million since 2019 for the clean-up of hydrocarbons that were released into the environment. Another \$32.9 million was paid by responsible parties since 2019 for the clean-up of hydrocarbons into the environment.

The proposed tax credits would be available on new and used electric, plug-in hybrid electric and fuel cell vehicles, and would be in addition to any federal credits that might apply. The credit would be available on purchases and on leases of at least three years.

Under the bill, from 2024 through Jan. 1, 2026, taxpayers could claim an income tax credit of \$3,000 for a new electric vehicle; \$2,000 for a plug-in hybrid electric or fuel cell vehicle; \$1,500 for a previously owned electric vehicle and \$1,000 for a previously owned hybrid electric or fuel cell vehicle.

Credits would need to be approved by the Energy, Minerals and Natural Resources Department and would be administered by the Taxation and Revenue Department.

“EMNRD welcomes the opportunity to support another tax credit program that will bolster our state’s efforts to reduce emissions and transition to a clean-energy future,” EMNRD Deputy Secretary Dylan Fuge said. “Our Energy Conservation and Management Division has experience administering similar programs and is confident we can quickly expand that infrastructure to support these new programs.”

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