

State policies to incentivize electric vehicle adoption

Legislative Energy Commission

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The following describes the menu of policies that states have used to motivate electric vehicle adoption. Examples are for illustrative purposes and do not reflect all such policies.

Vehicle purchase

Tax incentives and rebates: Credits and rebates to aid individuals, companies, or government entities in the purchase or conversion of electric vehicles. Approximately 14 states have such a policy.

Loans and grants: To individuals, companies and government entities to purchase or convert electric vehicles, sometimes through revolving loan funds.

Charging infrastructure

Tax incentives and rebates: At least 10 states offer tax incentives or rebates for charging infrastructure. Indiana utility NIPSCO also offers a credit.

Loans and grants: Offset the cost of purchasing and installing charging infrastructure. May be offered to government agencies or private businesses. Colorado offers grants to cover up to 80 percent of the cost of installing charging infrastructure in government fleets.

Required charging stations in parking lots: Hawaii requires public parking systems with 100+ parking spaces to have an EV charging station.

Free charging: Washington allows electric vehicles to be charged at state office locations where the vehicles are used for state business, conducting business with the state, or as commuter vehicles.

Electricity discounts and credits

Discounts or tax exemptions on electricity: Various utilities offer discounted rates for charging EVs or charging at off-peak hours. In Utah, electricity used to power EVs is exempt from state taxes.

Vehicle-to-grid energy credit: In Delaware, retail electricity customers can receive kWh credits for energy discharged from their vehicle(s)'s battery to the grid at the same rate the customer pays to charge the battery.

Research, development and commercialization

Grants, loans and tax incentives: California provides financing for property used to develop and commercialize advanced transportation technologies that reduce pollution and energy use and promote economic development. Oklahoma offers a per-vehicle tax credit for EV manufacturers. Vermont provides grants and loans through a revolving loan fund to government agencies to support alternative fuel vehicles and infrastructure.

HOV/HOT lane exemption, toll exemption

A dozen states allow EVs to use HOV/HOT lanes regardless of the number of people in the car. New Jersey offers a discount on tolls.

State regulatory discounts, exemptions

Vehicle inspection exemption: In Idaho, electric vehicles are exempt from the state motor vehicle and inspection programs.

Emissions testing exemption: At least 6 states exemption emission inspections for qualified electric vehicles.

Parking incentives

Discounted/free parking in public spots: Sacramento, CA and New Haven, CT offer free parking on city streets for registered electric vehicles.

Reserved spots in parking lots/garages: Public parking areas with 100+ parking spaces must include at least one designated parking space for electric vehicles in Hawaii.

Insurance discounts, protections

Discounts: Several insurance providers in California offer a discount on certain insurance coverage electric vehicle owners.

Prohibit premium surcharges: In Maine, an insurer may credit or refund a portion of the premium charged for an insurance policy on electric vehicles.

Tax exemptions for batteries and services for vehicles, charging infrastructure

In Washington, state sales and use taxes do not apply to EV batteries and many related services and infrastructure, and public lands used for installing, maintaining, or operating EV infrastructure are exempt from leasehold excise taxes until 2020.

Taxi exemptions

In Nevada, qualified EVs operating as taxis may remain in operation for an additional 24 months beyond the existing limits.

Source: National Conference of State Legislatures, "State Hybrid and Electric Vehicle Incentives," November 2013 and February 2014.