

BILL TO PROMOTE ENERGY EFFICIENT TRUCKS

FOR IMMEDIATE RELEASE:

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KOHL, BLUNT REINTRODUCE BILL TO PROMOTE ENERGY EFFICIENT TRUCKS

WASHINGTON, DC – Today, Senator Herb Kohl (D-WI) and Senator Roy Blunt (R-MO) introduced legislation that would provide tax credits for purchasers of hybrid, plug-in hybrid, and electric medium-duty and heavy-duty trucks. This bill would reinstate the currently-expired Section 30B qualified hybrid motor vehicle tax credit, helping manufacturers reach economies of scale, and bring down the cost of these technologies for consumers. The Kohl-Blunt bill would extend the Section 30B credit through 2015 and update the incentive to recognize current costs and technologies.

“The benefits of making our heavy truck fleet more energy-efficient are clear – fewer emissions, reduced overall fuel usage, and increased energy-independence. However, the upfront cost to purchase hybrid or electric trucks – or to retrofit an existing fleet – is high. This credit provides the incentive needed to get those businesses off the sidelines – injecting needed capital into the economy and creating jobs at the same time,” said Kohl.

“The best way to create American jobs is to reduce our dependence on foreign oil and generate more energy here at home. This bill will help create jobs by encouraging the domestic production of energy-efficient vehicles, and it will provide incentives for more American manufacturers to use clean and efficient trucks,” said Blunt.

The 30B credit rewards efficiency; it is calculated by allowing the taxpayer to claim a credit for a percentage of an advanced vehicle’s incremental cost (the excess of the retail price of the vehicle over a comparable conventional vehicle). The allowable percentage increases with the vehicle’s fuel efficiency. The Kohl-Blunt bill doubles the maximum amount of recognized incremental costs, creates a new section for vehicles that weigh more than 33,000 pounds, and adds a new applicable percentage category. However, the bill also limits the maximum amount of the credit to \$24,000 for the most efficient of the heavy duty vehicles. Taken together, these reforms will allow a larger number of advanced vehicles to enter the vehicle fleet and grow the U.S. advanced vehicle industry.

The Kohl-Blunt bill also extends the critically important incentive for recharging and refueling infrastructure for plug-in and alternative fuel vehicles. Extending the Section 30C credit through 2013 will help individuals and businesses invest in advanced vehicles by making recharging and refueling more accessible. It will also speed our progress away from dependence on foreign oil.

The legislation also creates a tax incentive of up to \$3,500 for anti-idling infrastructure and anti-idling devices installed on trucks themselves. For example, this credit would lower the cost for trucks stops to install electrification units so that truckers could plug in their vehicles to operate necessary systems without idling the engine. Federal safety rules require truck drivers to rest between shifts, sending many trucks to idle at truck stops for several hours. A 2006 Argonne National Laboratory study found that overnight idling by US trucks accounted for more than 685 million gallons of fuel each year. With this tax credit, truckers would be able to operate the heater, air conditioner and other appliances without running the engine, which saves fuel, reduces air pollution, and reduces engine wear. The tax credit would expire at the end of 2013.

These tax credits will promote the purchases of clean, efficient electric drive trucks, the proliferation of recharging and refueling options for advanced vehicles, and the adoption of anti-idling technologies –all of which will reduce our dependence on foreign oil and improve our environment while enabling fleets and business owners to reduce their fuel costs.

This legislation is supported by the Electric Drive Transportation Association and the CALSTART Hybrid Truck Users Forum.

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