



March 7, 2022

The Honorable Carla J. Nelson
Chair, Taxes Committee
Minnesota Senate
Saint Paul, MN 55155

RE: SF 3397 – Tax Credits

Dear Chair Nelson:

The Alliance for Automotive Innovation¹ (Auto Innovators) is writing to express our support for SF 3397. It is critical for states and automakers to work together with the spirit that **“More is Better”** to develop policies that will encourage electric vehicle (EV) adoption. That is why we support tax incentives to support consumers how purchase EVs.

Auto Innovators’ [Get Connected Electric Vehicle Quarterly Report](#) shows steady growth in the EV sector. Through the third quarter of 2021, EV sales comprised 68 different models and represented roughly 4 percent of the light-duty market nationwide. However, Minnesota continues to lag other states with sales of roughly 2.7%.

Meeting the sales requirements under Minnesota’s Clean Cars rule will require a significant increase in EV sales. To meet these requirements, Minnesota needs a comprehensive approach that includes investments and supportive government policies with a focus on key areas, including consumer affordability and awareness, and charging and hydrogen fueling infrastructure.

SF 3397 can help focus on the infrastructure component. Infrastructure investment is critical to EV sales and consumer adoption. Research shows that visible charging stations increase consumer awareness and confidence in the technology. Creating a tax credit for your constituents that invest in EV chargers will support those looking to purchase an EV. While we generally support such policies, we do recommend an increased amount for the credit.

¹ Formed in 2020, the Alliance for Automotive Innovation is the singular, authoritative and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. The newly established organization, a combination of the Association of Global Automakers and the Alliance of Automobile Manufacturers, is directly involved in regulatory and policy matters impacting the light-duty vehicle market across the country. Members include motor vehicle manufacturers, original equipment suppliers, technology and other automotive-related companies and trade associations. The Alliance for Automotive Innovation is headquartered in Washington, DC, with offices in Detroit, MI and Sacramento, CA. For more information, visit our website <http://www.autosinnovate.org>.

Auto Innovators and our members are committed to working with Minnesota to achieve the shared goals of reducing carbon intensity and increasing EV sales and believe we should do so in a smart and effective manner that provides the right signals to the consumer to choose to buy electric vehicles.

Thank you for your consideration of the Auto Innovators' position. Please do not hesitate to contact me at jfisher@autosinnovate.org or 202-326-5562, should I be able to provide any additional information.

Sincerely,

A handwritten signature in black ink that reads "Josh Fisher". The signature is written in a cursive, slightly slanted style.

Josh Fisher
Director, State Affairs



