



Tax Bill Attacked for Loss of Electric Car Subsidy, But Most Americans Don't Want Electric Cars

By Steve Goreham

Originally published in [Master Resource](#).

The Republican-led tax bill in the House of Representatives [proposes](#) to eliminate the \$7,500 tax credit for purchases of electric cars. Green advocates of “electrification” are already [attacking](#) the bill for the loss of the subsidy. But it’s clear that most Americans don’t want electric cars.

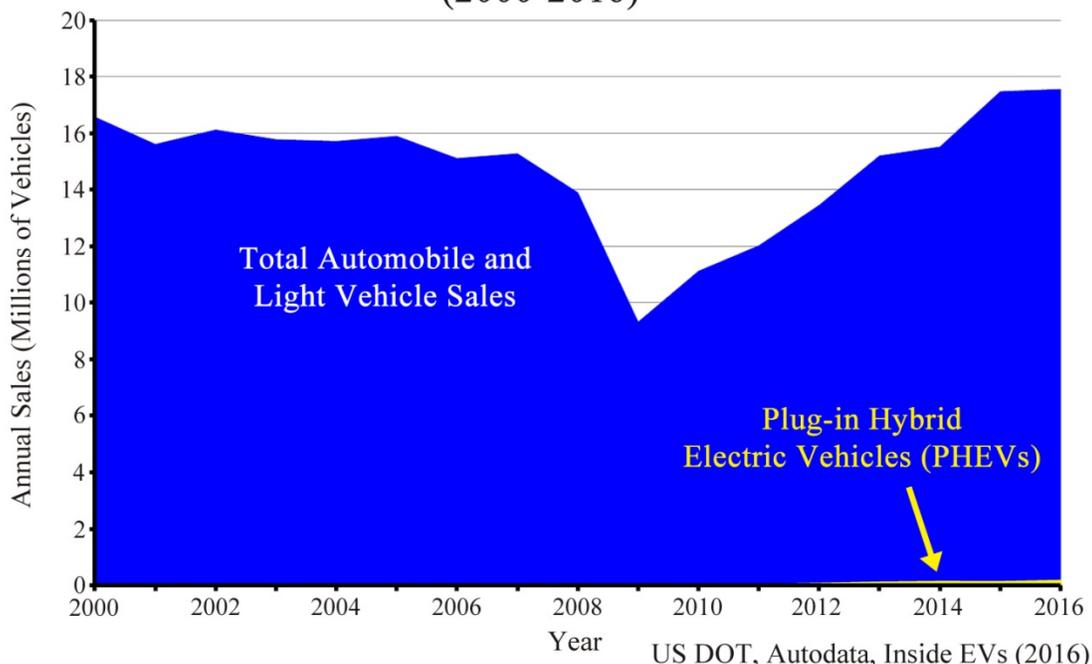
Electric cars are the darlings of the sustainability movement. States and nations demand a shift from gasoline- and diesel-powered cars to plug-in and hybrid electrics. During his January 2011 State of the Union address, President Obama [stated](#) that the United States could “...break our dependence upon oil...and become the first country to have a million electric vehicles on the road by 2015.” For eight years the Obama administration promoted electric cars. Congress [passed](#) the American Clean Energy and Security Act in 2009, which provided the \$7,500 tax credit for purchases of new plug-in electrics. The Obama team produced the “EV Everywhere Challenge” and the “Workplace Charging Challenge” to promote electrics. His administration also paid more than \$5 billion in grants and loan guarantees for electric car and battery research.

California [adds](#) a Clean Vehicle Rebate of \$1,500 for a plug-in hybrid and \$2,500 for a battery electric vehicle. The state has provided almost \$500 million in rebates to electric car purchasers since 2012. California’s Zero Emissions Vehicle (ZEV) program requires car manufacturers to produce an increasing number of electric cars or be fined. Nine other states, Connecticut, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon, Rhode Island, and Vermont have adopted ZEV standards, also providing

electric vehicle purchase rebates, tax credits, or sales tax exemptions.

But it's clear that most Americans don't want electric cars. In 2016, US car and light vehicle sales [rose](#) to 17.6 million units. After eight years of promotion, subsidies, mandates, and tax credits by the Obama Administration and the ZEV states, plug-in hybrid electric vehicle (PHEV) sales totaled only 159,000 units in 2016, less than one percent of US car and light vehicle sales. With low gasoline prices, small trucks and SUVs rose to 63 percent of new light vehicle sales. In 2016, the Ford F-Series pick-up truck was the leading model sold, outselling the entire PHEV market.

US PHEV and Total Automobile and Light Vehicle Sales (2000-2016)



In California, with its high level of subsidies for electrics, one can lease a small electric car for under \$100 per month. With fuel savings, the lease cost of a small electric is virtually zero. Yet, only about three percent of new car sales and leases are electrics. Auto dealers [can](#) hardly give them away.

The electric car craze is almost entirely a creation of the sustainability movement. Political leaders call for a switch to electric vehicles as a remedy to stop human-caused global warming. Few people will buy an electric car because of the well-documented [disadvantages](#) of high cost, short driving range, small carrying capacity, lack of charging stations, long charging times, and expensive battery packs that need to be replaced after five years. States, provinces, and national governments must pay citizens to switch from traditional cars to electrics in an effort to save the planet.

But in the face of weak electric car demand even with generous incentives, governments now seek to force people to abandon traditional cars. Political leaders in

France, Germany, Norway, and the United Kingdom now [call](#) for a ban on sales of new gasoline and diesel cars by 2030 or 2040. The California Air Resources Board calls for “electrification,” proposing to require that 40 percent of new car sales be electrics by 2040. Green policies require coercion.

Auto makers have been remarkably quiet in the face of growing government efforts promote electric cars. If regulators continue to try to force adoption of cars that consumers don’t want to buy, look for declining new car sales and a robust used-car market for traditional gasoline and diesel models.

Steve [Goreham](#) is a speaker on the environment, business, and public policy and author of the new [book](#) *Outside the Green Box: Rethinking Sustainable Development*.