

United States Senate

October 17, 2019

The Honorable Mitch McConnell
Majority Leader
United States Senate
U.S. Capitol Building, Room S-320
Washington, D.C. 20515

Dear Leader McConnell:

I write to you to reiterate my deep concerns with any legislative effort that seeks to extend or expand the electric vehicle (EV) tax credit.

The EV tax credit has served its purpose. Over one million EVs are currently on America's roads. By 2030, forecasts expect over 3.5 million EVs to be sold annually. The EV tax credit is no longer necessary. Despite this, efforts are underway to expand this temporary tax credit. Now, it turns out that the credit is being exploited and costing taxpayers tens of millions of dollars more.

On September 30, 2019, the Treasury Inspector General for Tax Administration (TIGTA) issued a report titled "Millions of Dollars in Potentially Erroneous Qualified Plug-In Electric Drive Motor Vehicle Credits Continue to be Claimed Using Ineligible Vehicles." The report found that from tax years 2013 to 2017, up to \$81.7 million in federal tax credits were claimed for ineligible vehicles.

The report states, "[T]he IRS is allowing individuals to inappropriately reduce their tax liabilities, resulting in the loss of millions in revenue." It continues, "If controls were in place or the returns had been reviewed, potentially, claims totaling \$81.7 million may have been disallowed." I have attached the entire TIGTA report to this letter for your review.

This lost tax revenue adds to the already staggering cost of the EV tax credit. Yet, supporters of the credit want taxpayers to continue footing the bill for EV purchases, both real and ineligible, for years to come. According to a recent study from Ernst & Young, legislation currently pending before Congress to expand or eliminate the current cap on the EV tax credit would result in taxpayers paying anywhere from \$15.7 billion to \$46.4 billion over the next ten years.

I urge you again to oppose any effort to expand or extend the EV purchase tax credit and prevent its inclusion in any legislation before the Senate. Thank you for your attention to this important issue.

Sincerely,



John Barrasso, M.D.
United States Senator