

Toyota Statement on Customer Tax Credits for Battery Electric Vehicles

June 13, 2022

Consistent with our drive to reduce carbon, Toyota supports tax incentives to make electric vehicles more affordable. Providing incentives to customers of companies that have led the way on electrification will help accelerate America's transition to an electric future.

See our letter to Congress:

June 13, 2022

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20515

The Honorable Nancy Pelosi
Speaker
House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Minority Leader
House of Representatives
Washington, DC 20515

Dear Madam Speaker, Leader Schumer, Leader McConnell, and Leader McCarthy,

As representatives of the largest automotive manufacturers in the United States, employing hundreds of thousands of Americans across the country, we thank you for your continued work to achieve a bipartisan package to address energy and economic security. Our companies are making substantial investments to electrify our vehicles, thereby strengthening our presence in North America.

As we transition our product lines towards increased electrification, we ask that Congress develop complementary policies to advance our shared goals.

Our four companies have pledged to invest over \$170 billion through 2030 to bolster electrified vehicles' development, production, and sales. This includes near-term investments of over \$20 billion in U.S. manufacturing of Electric Vehicle (EV) batteries and EV assembly, ensuring that our sustainable future is "Made in America."

The most valuable support provided by the government to encourage consumer adoption of electrified vehicles is the consumer tax credit in section 30(D) of the U.S. tax code. The tax credit has allowed auto companies to offer more affordable products in greater volumes, helping accelerate the adoption of EVs. However, recent economic pressures and supply chain constraints are increasing the cost of manufacturing electrified vehicles which, in turn, puts pressure on the price to consumers.

The current program only provides the tax benefit to the first 200,000 customers for each automaker. To provide greater consumer choice, we ask that the per-OEM cap be removed, with a sunset date set for a time when the EV market is more mature. Eliminating the cap will incentivize consumer adoption of future electrified options and provide much-needed certainty to our customers and domestic workforce.

The coming years are critical to the growth of the electric vehicle market and as China and the EU continue to invest heavily in electrification, our domestic policies must work to solidify our global leadership in the automotive industry. By removing the per-OEM cap provision in the EV tax credit, Congress will ensure that the U.S. continues to be a leader on EV innovation and production. We look forward to engaging all stakeholders and working collaboratively towards legislation that will continue to accelerate EV adoption.

Sincerely,



Mary T. Barra
Chair and CEO
General Motors



Tetsuo "Ted" Ogawa
President and CEO
Toyota Motor
North America



James D. Farley
CEO
Ford Motor Company



Carlos Tavares
CEO
Stellantis

