



LEGISLATIVE PRIORITIES – February 19, 2025

STOP THE CALIFORNIA ZEV MANDATE/SALES BAN ON GAS-POWERED VEHICLES

In December the Biden administration granted a waiver for California's Advanced Clean Cars II (ACC2) program which requires new vehicle sales to be 35% Zero Emissions Vehicles (ZEVs) for MY2026 and *increases to 100%* in MY2035. Eleven states (CO, DE, MA, MD, NJ, NM, NY, OR, RI, VT, WA) have adopted California's unachievable ZEV mandate.

California's ZEV mandate will force the rationing of gas-powered vehicles in these states and limit consumer choice. Only all-electric automakers will be able to meet this mandate. California lacks the authority to adopt or enforce its own ZEV mandates given the preemption language (Sec. 32919(a)) set out in the Energy Policy and Conservation Act which preempts to state laws "related to fuel economy." **Congress should revoke EPA's California waiver to achieve a single, national fuel economy standard that is achievable, affordable, and maintains consumer vehicle choice.**

CONGRESS SHOULD OVERTURN THE EPA'S ELECTRIC VEHICLE MANDATE

NADA [supported](#) legislation last year to disapprove the Environmental Protection Agency's (EPA) electric vehicle (EV) mandate ([H.J. Res. 136/S.J. Res. 75](#)). Dealers have promoted electrification of America's fleet with billions of dollars of their own capital already committed to investments in facilities, training and inventory. However, EPA's rule which would effectively mandate that the light duty fleet be 56% EV by 2032 goes too far, too fast. EVs are currently only 8.1% of the new car market, as many Americans cannot afford or conveniently charge an EV.

The average transaction price for an EV is \$55,544, almost \$6,000 more than the average gas-powered vehicle. This price difference, coupled with an inadequate charging infrastructure (by 2030 nearly 1.2 million public chargers and 20 million private chargers will be needed to charge the number of EVs required by EPA's mandate) and long charging times (most public chargers take 8-30 hours to charge) are the main reasons consumers are not buying enough EVs to meet EPA's mandate. **Congress should overturn the EPA's EV mandate, which ignores real world consumer demand, and substantially reduce EPA's emission standards to a level the market can bear.**

SUPPORT CATALYTIC CONVERTER ANTI-THEFT LEGISLATION

Law enforcement has recommended federal legislation to give them the tools to fight catalytic converter theft, which has risen by nearly 900% between 2019 and 2023. Thieves can easily steal catalytic converters from unattended vehicles, and since catalytic converters are not readily traceable, there is a lucrative market for these stolen parts. These thefts are costing millions of dollars to businesses and individual vehicle owners alike. NADA supported a bipartisan bill last Congress, the PART Act ([H.R. 621/S. 154](#)). This bill would require new vehicles to have unique, traceable identifying numbers stamped on catalytic converters at the time of assembly. The bill also establishes a federal criminal penalty for the theft, sale, trafficking or known purchase of stolen catalytic converters. NADA and 120 other [organizations](#) sent a [letter](#) urging passage of the PART Act in August. **Members of Congress are urged to cosponsor the PART Act, which will soon be reintroduced.**

SUPPORT TAX PROVISIONS TO BOLSTER SMALL BUSINESSES AND VEHICLE AFFORDABILITY

Most auto dealerships are family-owned small businesses that are organized as pass-through entities. To maintain parity with the corporate rate, NADA supports maintaining the Sec. 199A deduction. NADA also supports retaining the current federal estate tax threshold, restoring 100% bonus depreciation, and returning EBITDA as the basis for interest deductibility limits. Additionally, dealers have purchased and are paying floorplan interest on nearly \$7 billion in EV inventory that is still on their lots. Dealers need time to manage the large gap between current EV stock levels and slow demand. **Congress should ensure new tax legislation helps small businesses invest in their employees, businesses and communities. If EV tax credits are repealed, it should be done gradually to account for the government's aggressive EV mandate, which is ahead of consumer demand.**