

## EV NEWS

### May 2024 EV Update



**The hyper-kinetic pace of the electric vehicle (EV) world continued through most of 2023. Entering 2024, it continued to roll along with the IRS Tax Credit being available at the time of sale, and the state of Minnesota offering an EV Rebate. However, as we're reaching the mid-point of 2024 it has seemed to slow a bit.**

It's not so much that the market for EVs has slowed as that we're moving from the early-adopter phase to the mass-adoption phase. The manufacturers are trying re-brand their EVs as something for everyone rather than a "new technology." Especially in out-state MN, this is proving a bit difficult with the lack of public charging facilities. Even though more than 80% of all EV charging occurs at home, potential customers are nervous

about buying an EV and getting stuck somewhere with no place to charge. It takes a little research, but in most cases – even in out-state MN – public charging is available.

For the MN Consumer Rebate program, most of the money is used up. In fact, if your customers are served by a utility other than Xcel, all the money has been consumed. For the customers that are served by Xcel, there's still a little over \$500,000 available out of \$10,000,000, but MADA expects that will be gone before the end of May 2024. MADA encourages you to have the customers apply for the rebate on their own because there's no guarantee that you'll be able to get the money back from the state. With the current political tides, it doesn't look like the fund will be replenished any time soon.

On the federal side, the new laws regarding sourcing of battery and vehicle materials are making it difficult for vehicles to qualify for the \$7,500 tax credit. This is changing almost daily, so MADA recommends that dealers don't extend the tax credit to a customer UNLESS they have entered the VIN into the IRS portal and gotten a decision on the vehicle eligibility for the tax credit. As we've discussed over the last year, it is not your responsibility to determine personal eligibility for the tax credit. Your buyers will still have to file for the tax credit next year, and, in the event that they don't qualify for the credit, the IRS will recapture the money from the taxpayer – not the dealer. As a dealer, you are protected as long as you've used the IRS portal and gotten an eligibility decision during the transaction.

In other news, especially if you're a Stellantis dealer, you're seeing that the manufacturers are pushing leases of EVs as a way to move units. The residual values are resembling the pre-Covid days, so you're likely to see an uptick in leasing opportunities. It also means you're likely to have a few more used EVs to sell.

As we've said before, it's still a bit like the wild west out there on the EV front, and the manufacturers and legislators are not on the same page. The staff at MADA will be available to assist with any issues that come up. Please don't hesitate to reach out to Steve Nisbet, our EV Program Director, with any questions or if you would like more information. He can be reached via email at [steve@mada.org](mailto:steve@mada.org) or phone at 763-321-6932.