



Press Release

Climate Implications of the BBBA's EV Provisions

PAULINA ENCK | DECEMBER 8, 2021

The Biden Administration has called for the increased adoption of electric vehicles (EVs) as part of its climate change agenda. The House-passed Build Back Better Act (BBBA) includes tax credits to incentivize the adoption of EVs, but these credits are subject to union-labor requirements. In a new insight, Director of Energy Policy Ewelina Czapla and Director of Labor Policy Isabel Soto explain why these requirements would undermine the administration's goal of incentivizing EV purchases.

Czapla concludes:

The BBBA's tax credits for individual and business EV purchases could incentivize the widespread adoption of these vehicles, pursuant to President Biden's 2030 goal. Nevertheless, these credits are so narrowly tailored with union-labor requirements and other restrictions as to exclude the majority of EVs on the market. While the availability of union-assembled vehicles has grown, the number of models that qualify for the full \$12,500 tax credit is still limited. Due to the BBBA's definition of an EV, most 2022 models would not qualify, limiting the bill's ability to incentivize the purchase of EVs.

[*Read the analysis*](#)