

National Automobile Dealers Association



LEGISLATIVE PRIORITIES – June 9, 2025

OVERTURN THE EPA'S EV MANDATE - COSPONSOR H.R. 2814/S. 711

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 7.5% of the new car market, as many Americans cannot afford or conveniently charge an EV. The average transaction price for an EV is over \$11,000 more than the average gas-vehicle. Consumers are not buying enough EVs to meet EPA's mandate due to this price difference, an inadequate charging infrastructure and long charging times. The House-passed reconciliation bill (H.R. 1) would repeal EPA's EV mandate. Members of Congress are urged to support repealing EPA's EV mandate by cosponsoring H.R. 2814/S. 711, a bill which would overturn EPA's EV mandate.

SUPPORT BIPARTISAN 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. There is a lucrative market for stolen catalytic converters since they are hard to trace, and these thefts are costing millions of dollars for both businesses and vehicle owners. Thefts have also turned <u>violent</u>, with high-profile <u>tragedies</u> underscoring the urgency of addressing this issue. While several states, such as Minnesota and North Carolina, have enacted laws to address the issue, this crime frequently involves trafficking stolen parts across state lines and a federal framework is needed to aid the efforts of local law enforcement. Last Congress, NADA and 120 other <u>organizations</u> supported the bipartisan PART Act (<u>H.R. 621/S. 154</u>) that would require new vehicles to have unique, traceable numbers on catalytic converters. The bill also establishes a federal penalty for stealing, selling, trafficking or knowingly buying stolen catalytic converters. **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. NADA supports provisions in the House-passed reconciliation bill (H.R. 1) which would: 1) make Sec. 199A permanent, 2) permanently increase the basic exclusion limit for the estate/gift tax, 3) authorize bonus depreciation at 100%, and 4) restore EBITDA as the basis for interest limit deductions.

Additionally, dealers have purchased and are paying floorplan interest on nearly \$7 billion in EV inventory that is still on their lots. Congress should include a phase out period if EV tax credits are repealed to help dealers manage the large gap between current EV stock levels and slow demand. A reasonable transition period to phase out the EV credit is needed (H.R. 1 would generally eliminate EV tax credits after Dec. 31, 2025) because it allows consumers and small businesses time to make informed decisions and adjust to new rules. Congress should ensure new tax legislation helps small businesses invest in their employees, businesses and communities. If consumer incentives for EVs are repealed, it should be done gradually to account for aggressive government mandates, which are ahead of consumer demand and affordability.

OPPOSE SO-CALLED "RIGHT TO REPAIR" LEGISLATION (H.R. 1566/S. 1379)

NADA opposes so-called "right to repair" legislation (<u>H.R. 1566/S. 1379</u>) which has little to do with repairing a vehicle and raises serious vehicle privacy, security and safety issues for consumers. Bill advocates claim that independent auto repair shops do not have access to the parts or data necessary to repair vehicles. However, this concern was rectified by a 2014 Memorandum of Understanding. Today, the information independent shops need to repair vehicles is readily <u>available</u> from individual auto manufacturers, and independent repair shops already perform more than 70% of all non-warranty repairs. A Government Accountability Office (GAO) <u>report</u> confirmed the information and tools necessary to repair vehicles are already available to independent repair shops. **Members of Congress are urged <u>not</u> to cosponsor or vote for H.R. 1566/S. 1379.**