



LEGISLATIVE PRIORITIES – May 12, 2025

STOP THE CALIFORNIA ZEV MANDATE/SALES BAN ON GAS CARS

In December, the Biden administration granted a waiver for California's Advanced Clean Cars II (ACC II) program which requires new vehicle sales to be 35% Zero Emissions Vehicles (ZEVs) for model year (MY) 2026 and increases to 100% in MY2035. No legacy automaker, in California or any of the eleven states that have adopted California's ZEV mandate, is on track to outright meet this mandate for MY2026 or 2027. California's ZEV mandate to ban gas and hybrid cars will soon start distorting the vehicle market in all states. To comply with the mandate, automakers must either sell more ZEVs or sell fewer gas cars in these states. The economic distortion caused by the rationing of gas cars will limit consumer choice and increase vehicle prices throughout the country. In April, Rep. John Joyce (R-Pa.) introduced H.J.Res. 88 and Sen. Shelley Moore Capito (R-W.Va.) introduced S.J.Res. 45 to disapprove of the ACC II waiver. On May 1, the House passed H.J. Res. 88 by a bipartisan vote of 246-164, with 35 Democrats voting in support. **The Senate should pass H.J. Res. 88 to revoke EPA's waiver for California's ZEV mandate, and work towards a single, national fuel economy standard that is achievable, affordable, and maintains consumer vehicle choice.**

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 almost \$6,000 more than the average gas-powered 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. **Members of Congress are urged to cosponsor H.R. 2814/S. 711, a bill which would overturn EPA's EV mandate.**

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. 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. Last Congress, NADA and 120 other [organizations](#) supported the bipartisan PART Act ([H.R. 621/S. 154](#)) 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. To maintain equivalence 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.**

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

NADA opposes so-called "right to repair" legislation ([H.R. 1566/S. 1379](#)) 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 [available](#) from every auto manufacturer, and independent repair shops perform more than 70% of all non-warranty repairs. **Members of Congress are urged not to cosponsor or vote for H.R. 1566/S. 1379.**