



**GAS/ELECTRIC HYBRID VEHICLE
EXCISE TAX EXEMPTION BILL
SB 86: Carlos Cisneros, Dede Feldman, Senate Co-sponsors**

- **Greater adoption of hybrid vehicles will reduce air pollution in New Mexico.** For example, with its average fuel efficiency of 55 miles per gallon, the 2004 Toyota Prius, has more than twice the fuel economy of a conventional five-passenger car. And it produces 90 percent fewer smog-forming emissions than a conventional car. Other hybrid vehicles offer ultra-low emissions and comparable fuel efficiencies. With air alerts becoming more common in Albuquerque and the advent of smog over other New Mexico cities, it is increasingly important to lower our average vehicle emissions.
- **Increasing vehicle fuel efficiency will reduce our dependence on foreign oil.** If the average fuel efficiency of American cars were improved by 7.6 miles per gallon, the savings would about equal our current Gulf Oil imports. Although New Mexico is an oil-producing state, our vehicles' appetite for gasoline far exceeds in-state production.
- **A range of hybrid gas/electric vehicles, including sedans, SUVs, and pick-up trucks will be available to New Mexicans within the next two years.** The Toyota Prius, Honda Civic hybrid, and Honda Insight are in local showrooms today. Three manufacturers, including Ford are expected to market hybrid SUVs before the end of this year. The timing of other hybrid releases depends on building customer awareness and economies of scale.
- **About 400 electric/gas hybrid cars sold in New Mexico in 2003.** At that rate, the total impact of the excise tax exemption would be about \$250,000. This impact would increase with the introduction of more hybrid models and with increasing sales. This loss of excise taxes will be partly offset because the vehicles that hybrid buyers would otherwise buy tend to be less expensive.
- **Seven other states recognize that providing financial incentives to purchasers of hybrid vehicles is reasonable and desirable.** California, Colorado, Maryland, New Jersey, New York, Oregon, and Pennsylvania all provide tax incentives to buyers of hybrid vehicles.

About SWEEP: The Southwest Energy Efficiency Project (SWEEP) is a public interest organization dedicated to advancing energy efficiency as a means of promoting both economic prosperity and environmental protection in the states of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming. For more information, visit the SWEEP Web site at www.swenergy.org. In New Mexico, contact Jill Cliburn, NM SWEEP Representative, 505/474-7313 or jlcliburn@nets.com.