United States House Committee on
Ways & Means
CHAIRMAN JASON SMITH

H.J.Res.148 Congressional Review Act on EV Tax Credit Regulations: Protecting Americans from Biden's Surrender to China on EVs

Rep. Miller (R-WV)

Background:

- In the so-called Inflation Reduction Act (IRA), Democrats created generous new tax subsidies for the manufacturing and purchase of electric vehicles (EVs), at an enormous cost to taxpayers.
- Bipartisan lawmakers have called on the Biden Administration to craft implementing regulations that prevent those subsidies from going to foreign entities of concern (FEOC), like those with ties to China or other adversaries, as originally called for in the IRA legislation.
- In **April** and **December of 2023**, the Treasury Department issued proposed regulations for the IRA EV Credits.
- Pushed by **radical environmentalists** and some EV producers, the Biden Administration wrote lenient FEOC rules for the IRA EV tax provisions which allow American tax dollars to flow to China.
    - The proposed regulations created Chinese Communist Party (CCP) friendly loopholes that the Ways and Means Committee addressed in **April 2024** by passing legislation to reverse the Biden Administration's rule, with the ***End Chinese Dominance of Electric Vehicles in America Act*** and the ***Stop Executive Overreach on Trade Agreements Act.***

Issues:

- On **May 6, 2024**, the **Biden Treasury Department finalized the full EV regulation package with an additional rule that** is supposed to honor the language of the law by making EVs ineligible for a tax subsidy if they contain battery components or critical minerals sourced from an FEOC, including the CCP.
- Unfortunately, as crafted, the rule will **allow certain EV and battery component inputs directly sourced from the CCP to skirt this restriction** and still be eligible to receive U.S. taxpayer funded subsidies from the IRA.
    - The final IRA EV rule claims that if an **input** (e.g. battery or critical mineral used in EVs) is currently **hard to trace**, it is considered "***untraceable***" and is not subject to the FEOC restriction.
- This regulatory overreach was not authorized in the legislation and conflicts with what is plainly written in law – that ANY input sourced from an FEOC would make a vehicle ineligible for the subsidy.

Congressional Review Act on EV Tax Credit Regulations:

- Under H.J.Res.148, the Biden Administration's **China favorable EV regulations** from the IRA would be **voided,** including the new rules promulgated in the final regulations as well as previously proposed regulations that have been addressed by the Ways and Means Committee.
- If passed by Congress, the Administration would have to re-write regulations in a **substantially different manner**.
- The Congressional Review Process of these rules allows for privileged consideration in the Senate at a **50-vote threshold** available in the Senate until September 19th.