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June 4, 2022

The Honorable Anna Caballero
Senate Governance and Finance, Chair
State Capitol, Room 407
Sacramento, CA 95814

RE: AB 2622 (Mullin) Sales Tax Exemption for Zero-Emission Transit Buses– SUPPORT

Dear Chair Caballero,

On behalf of the Madera County Transportation Committee (MCTC), I am writing in support of AB 2622 (Mullin), which would extend, through January 1, 2026, a partial sales tax exemption for transit agencies that purchase zero-emission buses.

In 2019, Governor Newsom signed into law AB 784 (Mullin), which provides an exemption from state sales and use taxes for ZEBs purchased by California public transit agencies. The intent behind this bill was to further encourage California public transit agencies to purchase ZEBs over conventionally fueled buses and to aid transit agencies in complying with the California Air Resource Board's (CARB) Innovative Clean Transit (ICT) regulation by reducing the upfront costs for these currently more expensive technologies. The ICT regulation requires California public transit agencies to completely transition their bus fleets to zero-emission fleets by 2040. Extending this partial sales tax exemption has the potential to save transit agencies up to \$50,000 per bus purchased, depending on the manufacturer and technology. Assisting public transit's transition not only helps meet our climate goals but helps communities attain better air quality as well.

For these reasons, we ask for your support of AB 2622 when it is heard in your Senate Committee on Governance and Finance. If you have any questions, please feel free to contact our legislative advocate, Gus Khouri, at (916) 605-8975 or gus@khouriconsult.com.

Sincerely,

Patricia Taylor
Executive Director

cc: Members of the Senate Governance and Finance Committee
The Honorable Kevin Mullin, Assembly Member, 22nd District
The Honorable Frank Bigelow, Assembly Member, 5th District
The Honorable Adam Gray, Assembly Member, 21st District

Member Agencies: County of Madera, City of Madera, City of Chowchilla