



HR 1685, The E-BIKE Act

What It Is »

The Electric Bicycle Incentive Kickstart for the Environment (E-BIKE) Act creates a tax rebate for people buying electric bikes similar to the tax incentive for buying an electric car. Because electric bikes include a motor, it makes it easier for riders to take longer trips more often, and to carry more cargo. An electric bicycle, or e-bike, is a standard bicycle equipped with an electric motor, a battery, and a bicycle drivetrain. Depending on the design, e-bikes may be operated through pedaling or with the engagement of a throttle. That means electric bike trips are often used to replace car trips, helping to reduce emissions and congestion while expanding affordable transportation options.

A recent pilot program in Denver exemplifies the benefits of offering rebates on e-bikes. In 2022, individuals redeemed 4,734 e-bike rebates. After surveying e-bike voucher users, the city found that 71% of survey respondents were using their gas-powered car less often and the e-bikes were replacing over 100,000 vehicle miles on average every week.

What It Does »

The E-BIKE Act creates a consumer tax credit that:

- Accounts for the purchase of one e-bike for single filers, or two for joint filers
- Provides a rebate for 30% of the cost of a new electric bicycle, up to a \$1,500 credit.
- Is fully refundable, allowing lower-income workers to claim the credit. Individuals without tax liability can still receive the tax rebate.
- Includes an income limitation of \$150,000 for a single filer, \$225,000 for head of household, and \$300,000 for joint filers. This is \$75,000 less than the limitation on electric car rebates.
- Includes language that limits eligible e-bikes to ones with tested battery systems. It also limits eligibility to electric bicycles that meet the Three Class Definition, which largely overlaps with brands manufacturing safe, tested batteries.
- Prevents fraud by requiring manufacturers to provide a VIN that retailers report to the IRS upon sale.

Why It Matters »

- Replacing a small amount of car trips with bikes and e-bikes could have a significant impact on congestion. A 2008 Texas Transportation Institute study showed a 3% drop in vehicle miles traveled resulted in a 30% drop in congestion. Across the country, almost 50% of trips are three miles or shorter.
- A 2018 study by Portland State University showed that 46% percent of e-bike commute trips replaced automobile commute trips and 30% of car trips for errands.
- Making e-bikes affordable for delivery workers, which involves short trips with regular parking and/or standing, could make a significant reduction in greenhouse gas emissions. A recent study published in Transport Research found that if 15% of urban trips were made by e-bikes, it would reduce GHG emissions by 12%.
- Switching to e-bikes does not compromise the health benefits of bicycling. People riding e-bikes get roughly the same amount of physical activity as other cyclists because they often bike for longer amounts of time.

To Co-Sponsor »

The bill, HR 1685, is sponsored by Representatives Jimmy Panetta, Earl Blumenauer, Mike Thomspon, and Adam Schiff.

To co-sponsor HR 1685, please contact Mark Dennin (Panetta): Mark.Dennin@mail.house.gov