



Representative Tom Brinkman  
Ohio House District 27

Chairman Shaffer, Vice Chair Scherer, Ranking Member Rogers, and members of the House Ways and Means Committee, thank you for allowing us to present House Bill 216 to you today. House Bill 216 would extend the current used for new vehicle tax credit to also encompass used vehicles traded in for other used vehicles. This credit is a consumer benefit that recognizes that tax has already been paid on the trade-in vehicle by the consumer. This credit recognizes that the vehicle will be taxed again when it is resold by the dealer.

One impetus for this bill is to incentivize buying newer, better vehicles. Newer vehicles are safer, more fuel efficient, less taxing on our infrastructure, and more reliable for their owners. Edmunds cites that nationally the age of used car sales is getting younger, meaning even newer and safer vehicles on our roads. In fact, the average age of used vehicle sold in 2016 was 4.1 years old, down from 4.4 in 2015. 58 percent of used vehicles sold in 2016 were three years old or newer.

Extending a trade-in credit for used vehicles could incentivize potential buyers to trade-in, minimizing the casual market, which will lower fraud and aid in generating revenue. By extending this credit to used vehicles, the number of consumers taking advantage of this benefit also increases. With average vehicle sales being \$34,077 for new vehicles and \$19,189 for used vehicles, the difference is stark and noticeable. even with a trade-in credit, affording a \$34,000 vehicle may be tough for some Ohioans. Extending this credit to vehicles only 4 years older on average than their new counterparts extends the benefit to citizens from every socioeconomic class.

33 states, including all of Ohio's contiguous neighbors offer a used for used vehicle trade-in credit. This puts Ohio consumers and Ohio dealerships at a disadvantage. Extending a trade-in credit for used vehicles could see a possible increase in sales, benefitting consumers, retailers, and the state as a whole.

We thank you for hearing our testimony on House Bill 216 today, and are available for any questions.