

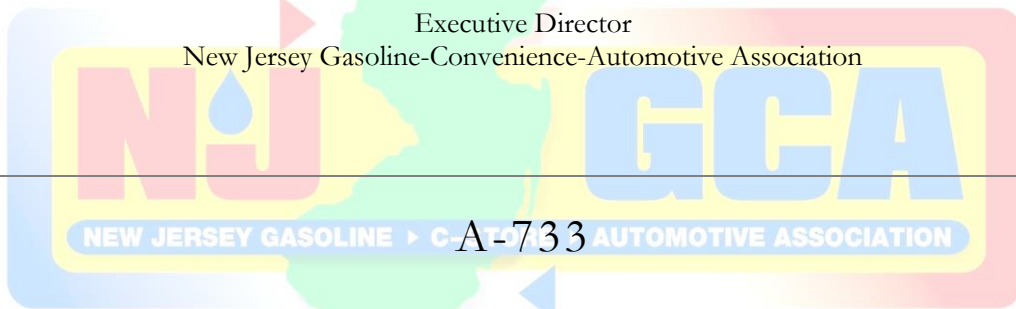
219TH NEW JERSEY LEGISLATURE
ASSEMBLY COMMERCE AND ECONOMIC
DEVELOPMENT COMMITTEE
HON. GORDON JOHNSON—CHAIR

TESTIMONY

SAL RISALVATO

Executive Director

New Jersey Gasoline-Convenience-Automotive Association



Support

March 8, 2021

Testimony of Sal Risalvato

Chairman Johnson, Vice-Chair Karabinchak, members of the Committee, my name is Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience Store, Automotive Association (NJGCA), here representing nearly a thousand independent small businesses in this state and it is on their behalf that we support this bill.

As you know this organization has been incredibly supportive of fuel cell technology in motor vehicles, which we believe are a great way to achieve our state's ambitious goals for reducing carbon emissions from transportation, but without some of the downsides and challenges presented by switching entirely to battery electric vehicles.

While its true that zero emission vehicles are already exempt from sales tax, I believe that removing the sales tax from other aspects of the supply chain and from other usages of this technology will help to achieve a more widespread adoption of fuel cells throughout the economy, which will lower the costs of the technology and encourage investment in both the technology itself as well as the deployment of that tech and the fuel which powers it. This bill ensures that all parts of the supply chain will not be taxed.

Hydrogen fuel needs an energy source of some kind to be created, and while I have no doubt that in the near future all of it will be generated by clean solar and wind power, currently much of it is created using natural gas as that is cheaper. Ensuring there is no sales tax on that fuel will lower the cost further during the ultimately brief window of time in which it is being used as a kick-starter to a broader clean hydrogen economy.

I also believe this bill will pay dividends down the road for the independent auto repair businesses which are also members of this association. Once fuel cell vehicles are on the road for a few years they will eventually need repair and maintenance, and some of that equipment will benefit from a sales tax exemption.

This technology, especially in these relatively early times, is still expensive, which means the percentage-based sales tax hits especially hard since the base price is high. Because it has not been widely adopted yet, it nevertheless does not provide much total revenue to the State. The benefits to the State of encouraging the deployment of this clean technology far outweigh any costs to our sales tax revenues.

I ask that you support this bill today.

Thank you.