


Taxpayer Funded Chevy Volt Costs Taxpayers Up to \$250K Per Vehicle And Now It Is Gone. Chevy Grabs Govt Cash Then Kills Car.

Analyst: 'This might be the most government-supported car since the Trabant or the Tesla'

By [Tom Gantert](#) |

 Chevy Volt(Editor's note: This article has been updated with a reaction from a General Motor's official.)

Each Chevy Volt sold thus far may have as much as \$250,000 in state and federal dollars in incentives behind it – a total of \$3 billion altogether, according to an analysis by James Hohman, assistant director of fiscal policy at the Mackinac Center for Public Policy.

Hohman looked at total state and federal assistance offered for the development and production of the Chevy Volt, General

Motors' plug-in hybrid electric vehicle. His analysis included 18 government deals that included loans, rebates, grants and tax credits. The amount of government assistance does not include the fact that General Motors is currently [26 percent owned](#) by the federal government.

The Volt subsidies flow through multiple companies involved in production. The analysis includes adding up the amount of government subsidies via tax credits and direct funding for not only General Motors, but other companies supplying parts for the vehicle. For example, the Department of Energy awarded a [\\$105.9 million](#) grant to the GM Brownstown plant that assembles the batteries. The company was also awarded approximately [\\$106 million](#) for its Hamtramck assembly plant in state credits to retain jobs. The company that supplies the Volt's batteries, Compact Power, was awarded up to [\\$100 million](#) in refundable battery credits (combination tax breaks and cash subsidies). These are among many of the subsidies and tax credits for the vehicle.

It's unlikely that all the companies involved in Volt production will ever receive all the \$3 billion in incentives, Hohman said, because many of them are linked to meeting various employment and other milestones. But the analysis looks at the total value that has been offered to the Volt in different aspects of production – from the assembly line to the dealerships to the battery manufacturers. Some tax credits and subsidies are offered for periods up to 20 years, though most have a much shorter time frame.

GM has estimated they've [sold 6,000 Volts](#) so far. That would mean each of the 6,000 Volts sold would be subsidized between

\$50,000 and \$250,000, depending on how many government subsidy milestones are realized.

If those manufacturers awarded incentives to produce batteries the Volt may use are included in the analysis, the potential government subsidy per Volt increases to \$256,824. For example, A123 Systems has received extensive state and federal support, and bid to be a supplier to the Volt, but the deal instead went to Compact Power. The \$256,824 figure includes adding up the subsidies to both companies.

The \$3 billion total subsidy figure includes \$690.4 million offered by the state of Michigan and \$2.3 billion in federal money. That's enough to purchase 75,222 Volts with [a sticker price of \\$39,828](#).

Additional state and local support provided to Volt suppliers was not included in the analysis, Hohman said, and could increase the level of government aid. For instance, the Volt is being assembled at the [Poletown plant](#) in Detroit/Hamtramck, which was built on land acquired by General Motors through eminent domain.

"It just goes to show there are certain folks that will spend anything to get their vision of what people should do," said State Representative Tom McMillin, R-Rochester Hills. "It's a glaring example of the failure of central planning trying to force citizens to purchase something they may not want. ... They should let the free market make those decisions."

"This might be the most government-supported car since the [Trabant](#)," said Hohman, referring to the car produced by the former Communist state of East Germany.

According to GM CEO Dan Akerson, the average Volt owner [makes \\$170,000 per year.](#)