

May 5, 2025

Senate Revenue and Taxation Committee
The Honorable Jerry McNerney, Chair
State Capitol, Room 410
Sacramento, CA 95814

Re: SB 419 (Caballero) – Support

Dear Senator McNerney,

The California Hydrogen Business Council (CHBC) is a membership-based trade association comprised of over 100 companies, agencies, and organizations involved in the business of hydrogen. The CHBC is the largest and longest-established advocate for the hydrogen and fuel cell industry in Sacramento. We write today in strong support of Senate Bill 419, authored by Senator Caballero, which would exempt hydrogen fuel sold for use in fuel cell electric vehicles (FCEVs) from state sales and use tax.

SB 419 provides a targeted, meaningful incentive to support consumer adoption of hydrogen vehicles and accelerate California's progress toward a zero-emission transportation future. The cost of hydrogen fuel remains one of the biggest challenges for FCEV drivers and fleet operators. By eliminating sales tax on hydrogen fuel, this bill helps bring down the per-kilogram cost at the pump, improving affordability and competitiveness with gasoline and diesel.

Importantly, this exemption supports the viability of early hydrogen refueling stations by increasing throughput and customer demand — key factors for keeping stations operational as vehicle adoption scales. SB 419 will particularly benefit light-, medium-, and heavy-duty fleets transitioning to hydrogen, including transit, drayage, and public agency vehicles that are central to California's clean transportation goals.

We appreciate Senator Caballero's leadership on this issue and respectfully urge your support SB 419 to ensure California remains a leader in hydrogen mobility.

Sincerely,





Tim McRae

Vice President for Public Affairs

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Cc: The Honorable Senator Caballero, Author
Members of the Senate Revenue and Taxation Committee