

# Navigating the Inflation Reduction Act: EV Tax Credits



Electrification  
Coalition



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The **Electrification Coalition** is a nonpartisan, nonprofit organization that develops and implements a broad set of strategies to facilitate the widespread adoption of electric vehicles to overcome the economic, public health, and national security challenges that stem from America's dependence on oil.



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# Electrification Coalition



Fleet Technical Lead



Local/State/Federal EV Policy



City Electrification Advisor



Freight Electrification



Project Leadership and Coordination



Advocacy and Education




# Joint Office Funding Opportunity: **Communities Taking Charge Accelerator**

[Learn more:](#)



Visit [driveelectric.gov/communities-taking-charge](https://driveelectric.gov/communities-taking-charge)

# \$54 million in funding available

Topic Area	Anticipated # of Awards	Anticipated Award Range (\$)	Total Funding Available (\$)
 1. Solving for No-Home Charging: Expanding Charging Access for Privately Owned E-Mobility	6-20	\$250,000 - \$4,000,000	\$23,000,000
 2. Expanding E-Mobility Solutions through Electrified Micro, Light and Medium-Duty Fleets	5-15	\$250,000 - \$4,000,000	\$20,000,000
 3. Managed Charging for Clean Reliable Energy	3-6	\$1,000,000 - \$4,000,000	\$11,000,000

# Key Dates

<b>FOA Issue Date:</b>	April 16, 2024
<b>Submission Deadline for Concept Papers:</b>	May 20, 2024, 5 p.m. ET
<b>Anticipated Date of Concept Paper Notification:</b>	June 13, 2024
<b>Submission Deadline for Full Applications:</b>	July 16, 2024, 5 p.m. ET
<b>Expected Submission Deadline for Replies to Reviewer Comments:</b>	Aug. 30, 2024, 5 p.m. ET
<b>Expected Date for DOE Selection Notifications:</b>	Dec. 2024
<b>Expected Timeframe for Award Negotiations:</b>	Dec. 2024 – April 2025

# IRA Tax Credits

This information is written as general guidance and does not reflect the application of the law to a specific taxpayer's situation, and the applicable Internal Revenue Code provisions ultimately control. Individuals or entities looking to claim the tax credits should always consult with a tax professional, accountant, or attorney on questions regarding eligibility.



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# IRA Tax Credits

Our partners at Lawyers for Good Governance have additional resources for credits [on their website.](#)

- Energy Credit (48)
- Clean Electricity Investment Credit (48E)
- Renewable Electricity Production Credit (45)
- Clean Electricity Production Credit (45Y)
- · **Commercial Clean Vehicle Credit (45W)**
- Zero-emission Nuclear Power Production (45U)
- Credit Advanced Manufacturing Production Credit (45X)
- Clean Hydrogen Production Credit (45V)
- Clean Fuel Production Credit (45Z)
- Carbon Oxide Sequestration Credit (45Q)
- · **Credit for Alternative Fuel Vehicle Refueling / Recharging Property (30C)**
- Qualifying Advanced Energy Project Credit (48C)



# ELECTIVE PAY

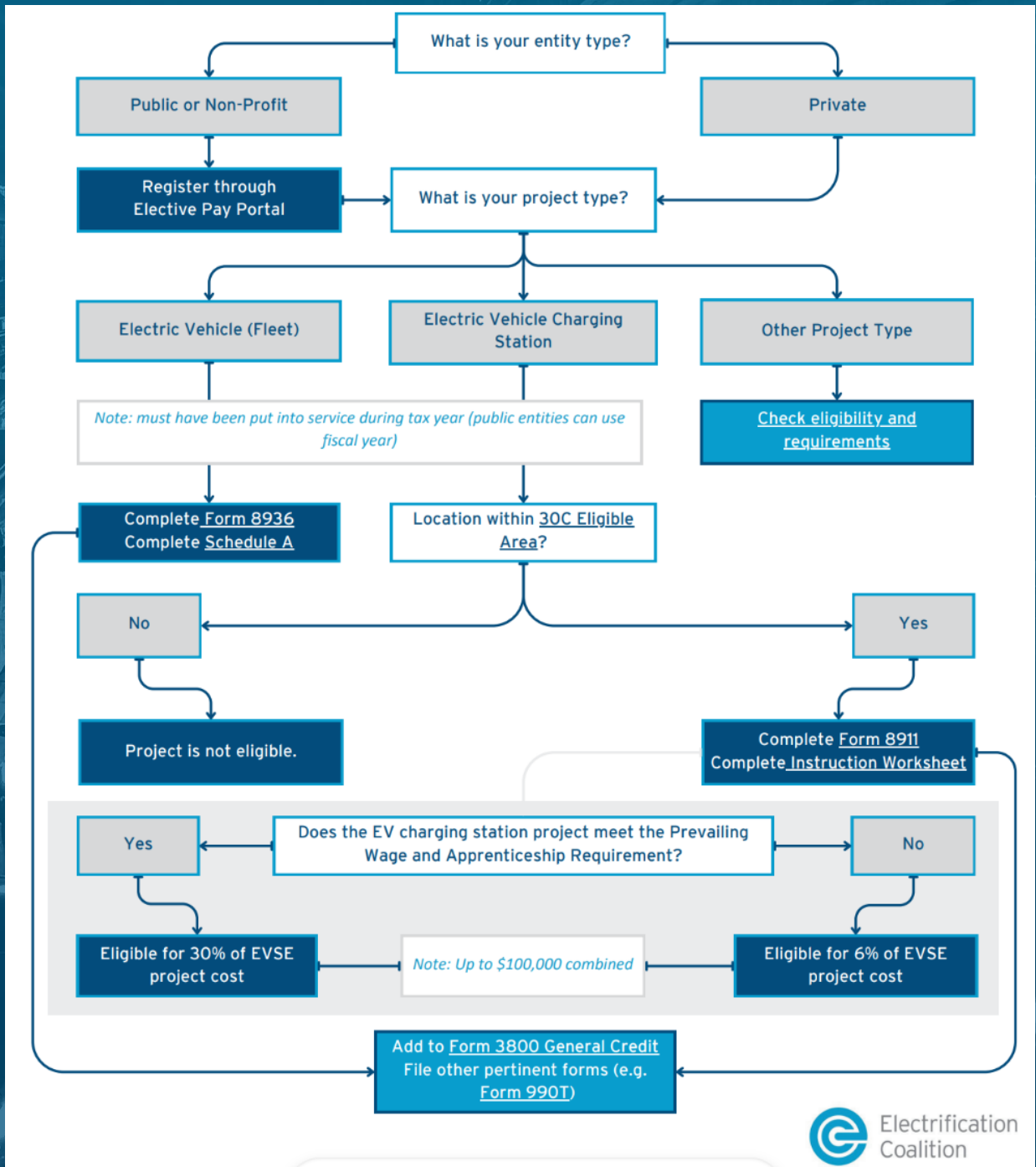
# What is Elective Pay?

- New mechanism under the IRA that makes **tax-exempt and governmental agencies eligible for tax credits for which they were previously ineligible** based on their lack of federal tax burdens
- Works like a tax credit that you may get on your personal taxes
- State and local governments, tribal entities, rural coops, and other tax-exempt entities are eligible to get the credits, which are uncapped
- Applies to 12 IRA tax credits, include 45W and 30C

***Key point:*** applies to entities that were previously excluded from tax credits ***due to lack of a federal tax burden***

# Elective Pay Decision Tree

This graphic can help a tax-exempt entity determine their eligibility for IRA tax credits and help determine next steps to receive funding.





# Commercial Clean Vehicle Tax Credit (45W)

# 45W Commercial Clean Vehicle Credit

- **Up to \$7,500** back for light-duty vehicles (under 14,000 pounds GVWR)
- For medium and heavy-duty vehicles (>14,000 pounds GVWR), the lesser cost of **30% of the base price or \$40,000**
  - Ex. if you buy a \$100,000 EV, you get \$30,000 (not \$40,000)
- No requirements relating to **critical minerals or domestic sourcing**
- Plug-in Hybrids are also eligible
  - Battery capacity of at least 7 kWh if the GVWR is <14,000 lbs
  - Battery capacity of at least 15 kWh if the GVWR is >14,000 lbs

# 45W Commercial Clean Vehicle Credit – Eligible Projects

- **For the first time in history, tax-exempt entities are eligible for the tax credit**
- Some examples of eligible projects that unlock this funding include:
  - Municipal Fleet Vehicles
  - Police Vehicles
  - Ambulances
  - Public Transit Buses
  - School Buses

# 45W Commercial Clean Vehicle Credit – Example

- For example:

- A school district receives a tax-exempt grant in the amount of \$300,000 to purchase an electric school bus. Under IRA, clean commercial vehicles are eligible for a tax credit of up to \$40,000.
- The school district purchases the bus for \$400,000, using the grant and \$100,000 of the school district's unrestricted funds.
- The school district's basis in the electric bus is \$400,000 and the school district's section 45W credit is \$40,000.
- Since the amount of the restricted tax-exempt grant plus the amount of the section 45W credit (\$340,000) is less than the cost of the electric bus, the school district's 45W credit is not reduced.



# 45W Commercial Clean Vehicle Credit – Things to Consider

- Leasing is not eligible - you must **own** the asset.
- Tax-exempt entities cannot transfer credits
- Relevant departments should have mutual understanding of responsibility (procurement, finance, accounting, legal)
- A tax-exempt entity must own 100% of the asset



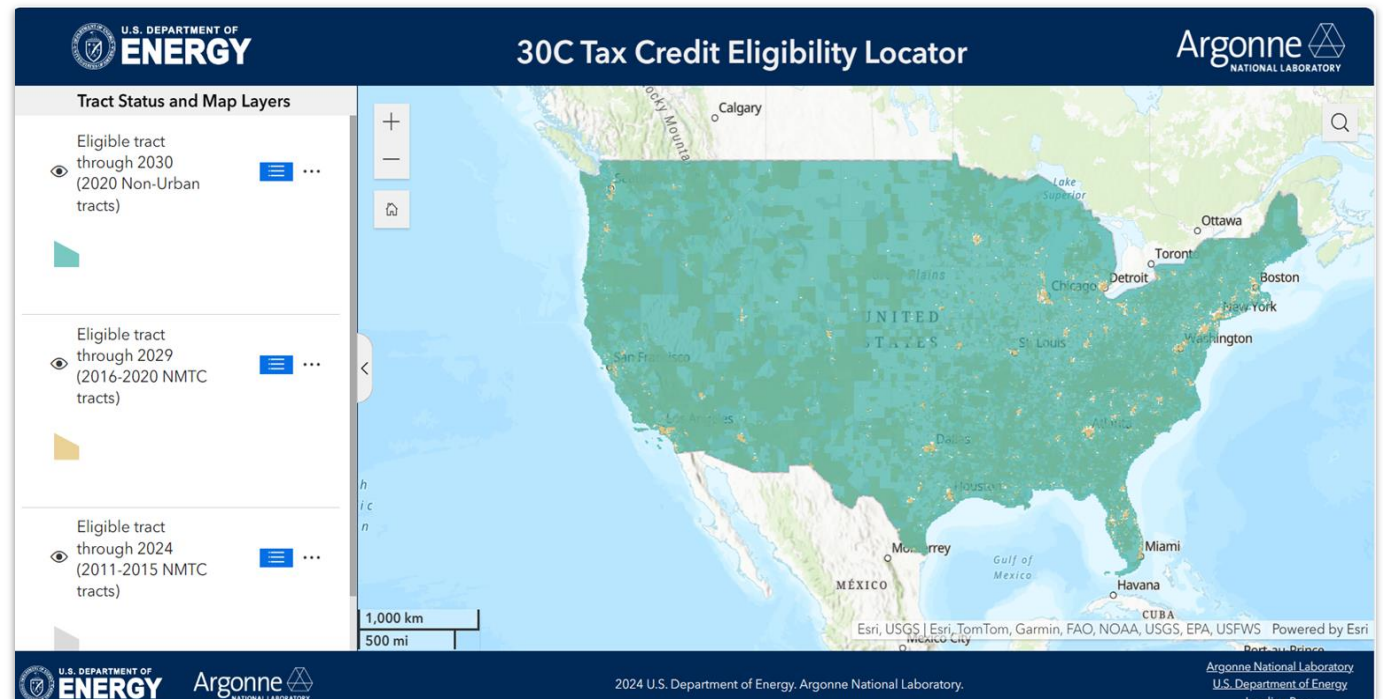
# Alternative Fuel Vehicle Refueling/Recharging Property Credit (30C)

# Alternative Fuel Vehicle Refueling/Recharging Property Credit 30C

- **6%** of the cost of your charging station back, **not to exceed \$100,000 per item of property**
- Can be increased to **up to 30%** if certain prevailing wage and apprenticeship requirements are met
- Must be in a census tract identified as **non-urban or low-income area**
- More details, including tax form examples, can be found on the EC's website

# Alternative Fuel Vehicle Refueling/Recharging Property Credit 30C

Final rulemaking for 30C shared **eligible census tracts** for the credit, covering approximately **99% of U.S. land territory** and **62% of the population**.



# Alternative Fuel Vehicle Refueling/Recharging Property Credit 30C – Eligible Projects

- **Again, tax-exempt entities are eligible for the tax credit**
- Retroactive to 2023 tax year
- Charging stations for two- and three-wheeled vehicles (in addition to traditional four- and more-wheeled vehicles)
- Bidirectional charging equipment (vehicle-to-grid or V2G)

# Alternative Fuel Vehicle Refueling/Recharging Property Credit 30C – Things to Consider

- Elective pay is stackable with other federally funded programs
  - FTA Low No
  - DOT Charging and Fueling Infrastructure Grant (CFI)
  - EPA Clean School Bus Program
  - EPA Brownfields Program
  - USDA Rural Development Electric Programs
  - Climate Reduction Pollution Grant
  - Greenhouse Gas Reduction Fund



# Deadlines

- **May 15, 2024:** filing deadline for calendar year taxpayer
- **November 15, 2024:** filing deadline for calendar year taxpayer with extension

# EC Resources

- Information on **Elective Pay**: <https://electrificationcoalition.org/resource/direct-elective-pay-under-the-ira/>
- More information on the **IRA and EVs**: <https://electrificationcoalition.org/work/federal-ev-policy/inflation-reduction-act/>
- Information on the **IRA and freight**: <https://electrificationcoalition.org/electric-freight-funding/>
- EV Funding Finder: <https://electrificationcoalition.org/ev-funding-finder/>



# Annotated Tax Form 8911



## The Electrification Coalition's Elective Pay Guidance: Alternative Fuel Vehicle Refueling Property Tax Credit

This document provides a step-by-step walkthrough of how to fill out the Alternative Fuel Vehicle Refueling Property Credit tax form (Form 8911) for elective pay applicants. Applicants must be registered with the IRS in order to submit an application, and must submit the form annotated in this document along with Form 990T and Form 3800. Worksheet 1 (page two) should also be completed, which can be found in the Form 8911 Instructions.

<b>Form 8911</b> (Rev. January 2024) Department of the Treasury Internal Revenue Service		<b>Alternative Fuel Vehicle Refueling Property Credit</b> Attach to your tax return. Go to <a href="http://www.irs.gov/Form8911">www.irs.gov/Form8911</a> for instructions and the latest information.		OMB No. 1545-0123 Attachment Sequence No. <b>151</b>
Name(s) shown on return			Identifying number	
<b>Part I Total Cost of Refueling Property</b>				
1 Total cost of qualified alternative fuel vehicle refueling property placed in service during the tax year			1	
<b>Part II Credit for Business/Investment Use Part of Refueling Property</b>				
2 Business/investment use part (see instructions)			2	
3 Section 179 expense deduction (see instructions)			3	
4a Subtract line 3 from line 2			4a	
b Enter any amount included on line 4a attributable to property placed in service as part of a project subject to project requirements that were not met (see instructions)			4b	
c Subtract line 4b from line 4a			4c	
5a Multiply line 4b by 6% (0.06)			5a	
b Multiply line 4c by 30% (0.30)			5b	
c Add lines 5a and 5b			5c	
6 Maximum business/investment use part of credit (see instructions)			6	
7 Enter the <b>smaller</b> of line 5c or line 6			7	
8 Alternative fuel vehicle refueling property credit from partnerships and S corporations (see instructions)			8	
9 <b>Business/investment use part of credit.</b> Add lines 7 and 8. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 1s			9	
<b>Part III Credit for Personal Use Part of Refueling Property</b>				
10 Subtract line 2 from line 1. If zero, stop here; <b>do not</b> file this form unless you are claiming a credit on line 9			10	
11 Multiply line 10 by 30% (0.30)			11	
12 Maximum personal use part of credit (see instructions)			12	
13 Enter the <b>smaller</b> of line 11 or line 12			13	
14 Regular tax before credits:			14	
<ul style="list-style-type: none"> <li>Individuals. Enter the sum of the amounts from Form 1040, 1040-SR, or 1040-NR, line 16, and Schedule 2 (Form 1040), line 2.</li> <li>Other filers. Enter the regular tax before credits from your return.</li> </ul>				
15 Credits that reduce regular tax before the alternative fuel vehicle refueling property credit:			15c	
a Foreign tax credit			15a	
b Certain allowable credits (see instructions)			15b	
c Add lines 15a and 15b				
16 Net regular tax. Subtract line 15c from line 14. If zero or less, enter -0- and stop here; <b>do not</b> file this form unless you are claiming a credit on line 9			16	
17 Tentative minimum tax (see instructions):			17	
<ul style="list-style-type: none"> <li>Individuals. Enter the amount from Form 6251, line 9.</li> <li>Other filers. Enter the tentative minimum tax from your alternative minimum tax form or schedule.</li> </ul>				
18 Subtract line 17 from line 16. If zero or less, stop here; <b>do not</b> file this form unless you are claiming a credit on line 9			18	

### Alt Fuel Property Tax Credit (Form 8911)

A single Form 8911 can be used to claim credit for multiple projects.

Enter all qualifying EV charging project costs. (EVSE, wiring, conduit, etc.)

Projects that meet the Prevailing Wage and Apprenticeship Requirement are eligible for 30% credit, all others are eligible for 6% credit. Multi-site applications can blend between both categories. The maximum credit amount is \$100,000.

The final value entered on Line 9 is required to complete Form 3800 for General Business Credits.

Further questions on filing? Visit our [Inflation Reduction Act Resource Page](#), or email [Infrastructure@ElectrificationCoalition.org](mailto:Infrastructure@ElectrificationCoalition.org)

This information is written as general guidance and does not reflect the application of the law to a specific taxpayer's situation, and the applicable Internal Revenue Code provisions ultimately control. Individuals or entities looking to claim the tax credits should always consult with a tax professional, accountant, or attorney on questions regarding eligibility.

# Annotated Tax Form 8936



## The Electrification Coalition's Elective Pay Guidance: Qualified Commercial Clean Vehicle Tax Credit

This document provides a step-by-step walkthrough of how to fill out the Clean Vehicle Credit tax forms ([Schedule A](#) and [Form 8936](#)) for elective pay applicants. Applicants must be registered with the IRS in order to submit an application and must submit the two forms annotated in this document along with [Form 990T](#) and [Form 3800](#).

**SCHEDULE A**  
**(Form 8936)**

### Clean Vehicle Credit Amount

OMB No. 1545-2137

**2023**

Attachment  
Sequence No. **69A**

Department of the Treasury  
Internal Revenue Service

Attach to your tax return.  
Go to [www.irs.gov/Form8936](http://www.irs.gov/Form8936) for instructions and the latest information.

Name(s) shown on return

Identifying number

#### Part I Vehicle Details

- 1a** Year . . . . .
- b** Make . . . . .
- c** Model . . . . .
- 2** Vehicle identification number (VIN) (see instructions) . . . . .
- 3** Enter date vehicle was placed in service (MM/DD/YYYY) . . . . .
- 4** Was the vehicle used primarily outside the United States? Answer "No" if it was but an exception applies. See instructions.  
 **Yes. Stop here.** You can't claim a credit amount for a vehicle used primarily outside the United States.  
 **No.**
- 5** Does the VIN entered on line 2 belong to a **new clean vehicle** placed in service during the tax year? See instructions for definitions.  
 **Yes.** Go to Part II.  
 **No.** Go to line 6.
- 6** Does the VIN entered on line 2 belong to a **previously owned clean vehicle** acquired after 2022 and placed in service during the tax year? See instructions for definitions.  
 **Yes.** Go to Part IV.  
 **No.** Go to line 7.
- 7** Does the VIN entered on line 2 belong to a **qualified commercial clean vehicle** acquired after 2022 and placed in service during the tax year? See instructions for definitions.  
 **Yes.** Go to Part V.  
 **No. Stop here.** You can't use this schedule to figure a credit amount for a vehicle not described on line 5, 6, or 7.

#### Part II Credit Amount for Business/Investment Use Part of New Clean Vehicle

- 8** Did you acquire the vehicle for use or to lease to others, and not for resale? Answer "No" if you are leasing the vehicle from another person.  
 **Yes.**  
 **No. Stop here.** You can't claim a credit amount for a vehicle you didn't acquire for use or to lease to others, or acquired for resale.

#### Clean Vehicle Credit - Schedule A

Applicants must submit a Schedule A for each vehicle they wish to receive credit for. All Schedule A forms must be completed before proceeding to Form 8936.

Enter basic information: vehicle year, make, model, and Vehicle Identification Number (VIN)

The "Placed in Service" date is date vehicle was received, not the date the vehicle was purchased.

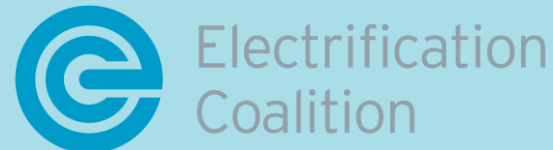
The Qualified Commercial Clean Vehicle Credit is the only eligible option for elective pay applicants.



# EVAL Certification

BECOME A LEADER IN WORKPLACE CHARGING

[www.EVALcertification.org](http://www.EVALcertification.org)



# Electric Vehicle Adoption Leadership (EVAL)

- **Nationally-recognized certification** program
- Provides **technical assistance and recognition** for organizations that support the adoption of clean transportation
- Indicates the **availability of clean transportation** options and opportunities for staff at a workplace
- Distinguishes businesses for their **commitment to lowering emissions** by providing clean transportation options for their employees
- Signals **leadership in sustainability** and action in addressing climate change



# How much does it cost?

The EVAL Certification application is waived until October 2024.

After November 1, 2024, a fee will be implemented to certify each location.

EVAL does not require recertification.



# EVAL Objectives

- Develop and execute a nationwide workplace charging program comprised of education, outreach, and technical assistance activities that enables large-scale increase in workplace charging.
- **Gain  $\geq 2,500$**  employer commitments
- **Catalyze  $\geq 20,000$**  electric vehicle supply equipment (EVSE) port installations
- **Achieve  $\geq 5,000$**  employer registrations on the EVAL platform

# LIBRARY

## EVAL Eligibility

Employers from all industries and sizes, including state, local or Tribal government entities, community-based organizations and nonprofits, are eligible to apply.

Home offices and organizations providing charging for fleet vehicles **exclusively** are not eligible to apply.

# Easy Certification Process

1

**Register** your organization by completing key information

2

**Apply** for EVAL certification

3

**Access** digital resources and templates

4

**Connect** with Forth or community members for additional support

5

**Submit** your application

6

**Receive** your certification and get recognized!



# Application for Certification Includes:

**Employee  
Engagement**

Understanding employee e-mobility needs

**Planning &  
Evaluation**

Initiating planning and evaluation for the workplace charging program

**Mobility  
Incentives**

Incentivizing the adoption of e-mobility

**EV Charging**

Expanding access to EV charging stations

**Innovation**

Showcasing sustainability leadership through innovative and regional programs

# Recognition & Marketing

- Exclusive Roundtable Workgroup
- Spotlight on the EVAL website
- Forth Roadmap Conference
- Workplace spotlight (Platinum)
- Digital badge & signed certificate

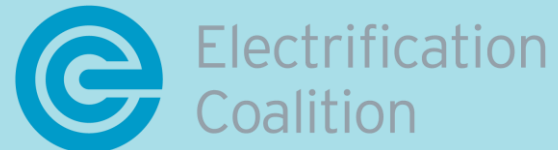


# Join the Certified Sustainability Leaders





[www.EVALcertification.org](http://www.EVALcertification.org)





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# Q&A



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# Thank you!

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