




# 2024 EV Tax Credits

January 11, 2024

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# Agenda

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  - 02 EV Incentives Overview**
  - 03 Federal Tax Credits**
  - 04 2024 Clean Vehicle Tax Credit Changes**
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  - 06 Consumer Tax Credit Scenarios**
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# Introduction

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## Meet our **speakers**



**Joel Levin**

**Executive Director**



**Ingrid Malmgren**

**Policy Director**



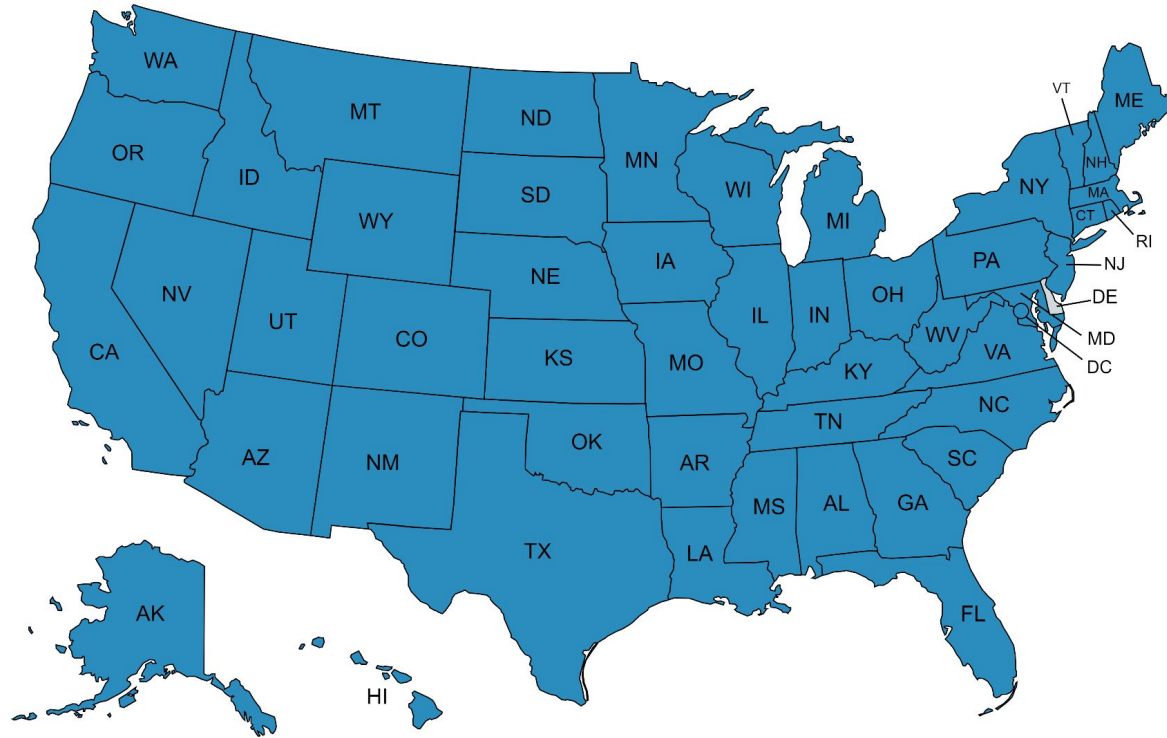
# REMINDER

**We are not accountants or attorneys.  
You should consult a tax professional.**

# How EV Incentives Work

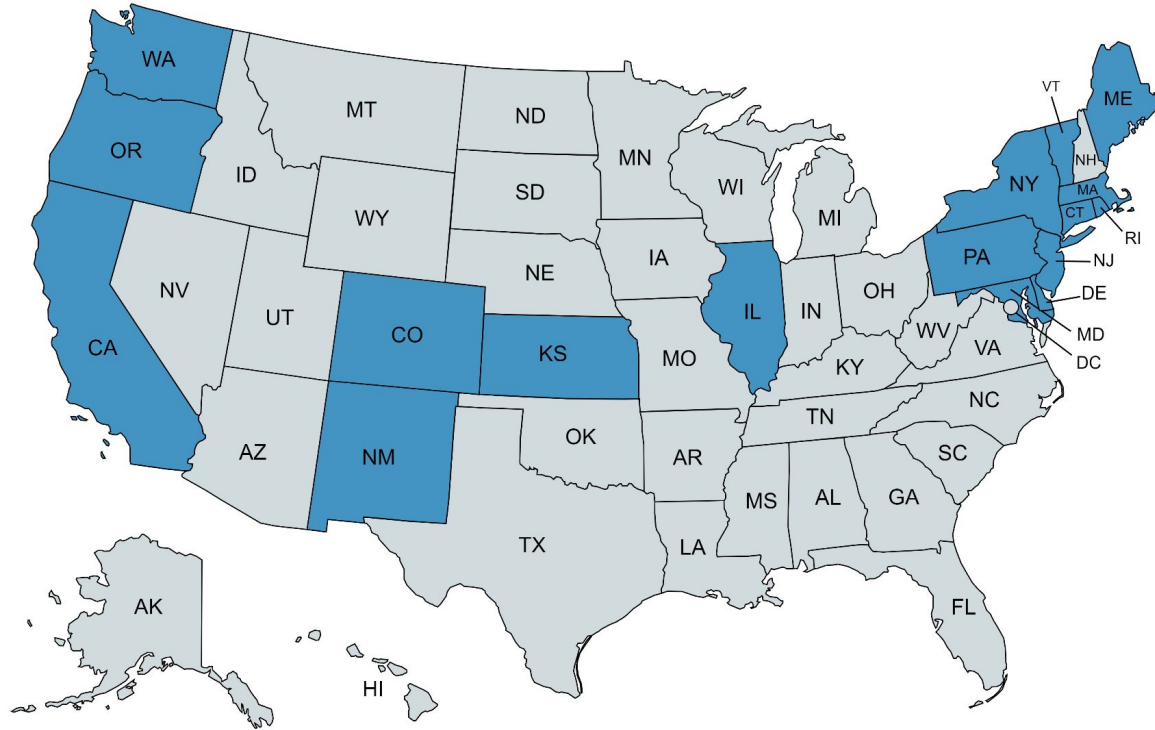


# Federal Incentives





# State Incentives



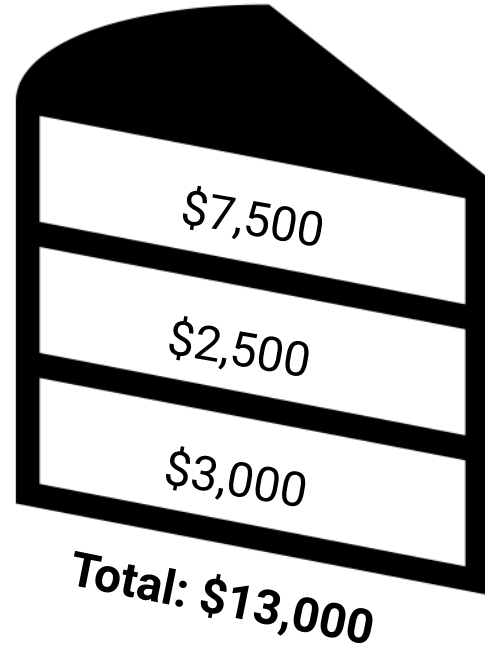
# Utility Incentives

- Cash Rebate on EV or home charging station
- Bill credits
- Discounted EV charging rates



# U.S. Electric Vehicle Incentives

- Federal Tax Credits
- State Incentives
- Utility incentives



# Federal Tax Credits

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# Clean Vehicle Tax Credits



**New**  
Clean Vehicle  
Tax Credit (30D)



**Used**  
Clean Vehicle  
Tax Credit (25E)



**Commercial**  
Clean Vehicle  
Tax Credit (45W)

# 2024 Changes to the Clean Vehicle Tax Credits

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# Clean Vehicle **Tax Credits**

Transferable

Foreign Entities  
of Concern Rule



**New**  
Clean Vehicle  
Tax Credit (30D)

Transferable

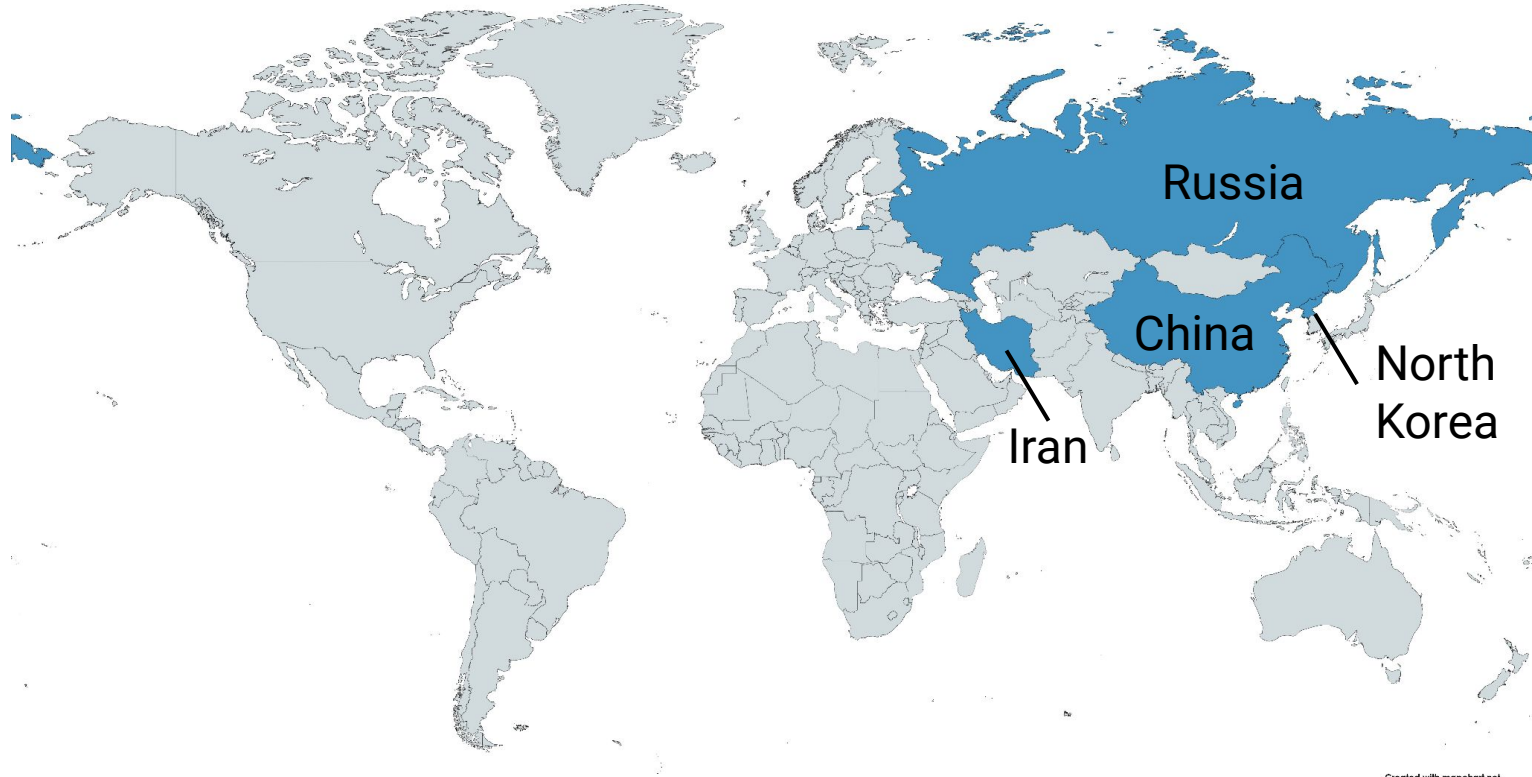


**Used**  
Clean Vehicle  
Tax Credit (25E)



**Commercial**  
Clean Vehicle  
Tax Credit (45W)

# Foreign Entities of Concern

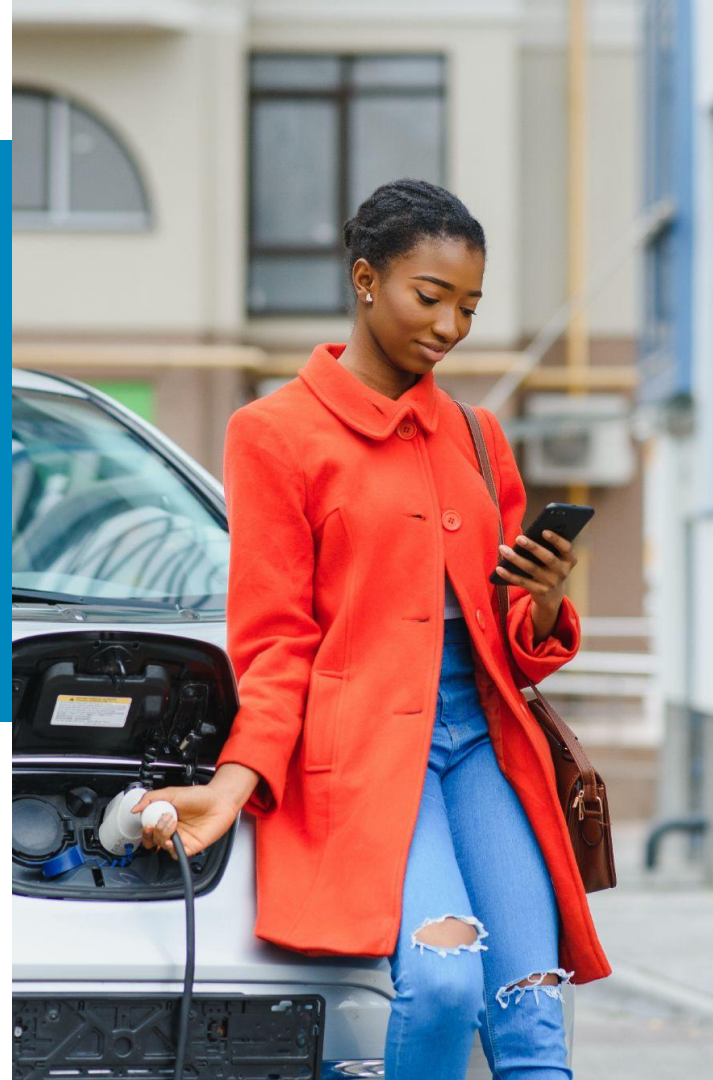


Created with mapchart.net



# Transferable Tax Credit

- Started January 1, 2024
- Buyers can transfer their tax credit to a registered dealer.
- The dealer instantly reduces the price of the vehicle by the amount of the tax credit



# Clean Vehicle Tax Credit Overview

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# New Clean Vehicle Tax Credits

**\$3,750/\$7,500**



**New**  
Clean Vehicle  
Tax Credit (30D)

- ❑ MSRP limits **\$80,000 (SUV/pickup)/\$55,000 (other)**
- ❑ Buyer must meet income limits
  - ❑ \$300,000 for joint filers
  - ❑ \$225,000 for head of household
  - ❑ \$150,000 for single filers
- ❑ **Final assembly** must take place in North America.
- ❑ **Foreign Entity of Concern Rule**
- ❑ **Tax Credit available at time of Purchase**

# Used Clean Vehicle Tax Credits

Up to \$4,000

- ❑ Tax credit amount is **\$4,000** or 30% of the price of the vehicle.
- ❑ Vehicle price cannot exceed **\$25,000**
- ❑ Vehicle must be at least 2 years old.
- ❑ A vehicle can only be eligible for the Used EV tax credit once.



**Used Vehicle**

Clean Vehicle

Tax Credit (25E)

- ❑ Buyer must meet income limits
  - ❑ \$150,000 for joint filers
  - ❑ \$112,500 for head of household
  - ❑ \$ 75,000 for single filers
- ❑ Tax credit is available at the time of purchase

# Commercial Clean Vehicle Tax Credits

Up to  
\$7,500/\$14,000

- ❑ Tax credit amount is  
30% of the price of the vehicle (all-electric)  
15% of the price of the vehicle (PHEV)  
**or**  
the incremental cost of the vehicle  
**not to exceed**  
\$ 7,500 for vehicles < 14,000 pounds  
\$40,000 for vehicles > 14,000 pounds
- ❑ Vehicle must be used for business purposes
- ❑ Tax credit can be accessed by tax-exempt entities.



**Commercial Vehicle**

Clean Vehicle

Tax Credit (45W)

# Consumer Tax Credit Scenarios



# New Clean Vehicle Tax Credits



## **New Vehicle**

Clean Vehicle

Tax Credit (30D)



## **Used Vehicle**

Clean Vehicle

Tax Credit (25E)



## **Commercial Vehicle**

Clean Vehicle

Tax Credit (45W)

# New EV Tax Credit

- ❑ Buyer must meet income limits
  - ❑ \$300,000 for joint filers
  - ❑ \$225,000 for head of household
  - ❑ \$150,000 for single filers





# New EV Tax Credit

- ❑ Go to [fuelconomy.gov](https://fuelconomy.gov) to find out which vehicles are eligible.

## Search for Eligible Vehicles

Vehicle eligibility for some makes and models depends on the date you take delivery of the vehicle—this is sometimes called the placed-in-service date.

Select date you plan to take delivery (required)

January 1, 2024 – December 31, 2024



# New EV Tax Credit

**Federal Tax Credits for Plug-in Electric and Fuel Cell Electric Vehicles**  
(Vehicles placed in service on or after January 1, 2024 and before January 1, 2025)

Make	Model	Model Year	Vehicle Type	Credit Amount	MSRP Limit	Eligibility
Chevrolet						
	Bolt EUV	2022–2023	EV	\$7,500	\$55,000	Check VIN
	Bolt EV	2022–2023	EV	\$7,500	\$55,000	Check VIN
Chrysler						
	Pacifica PHEV	2022–2024	PHEV	\$7,500	\$80,000	Check VIN
Ford						
	Escape Plug-in Hybrid	2022–2024	PHEV	\$3,750	\$80,000	Check VIN
	F-150 Lightning (Extended Range Battery)	2022–2024	EV	\$7,500	\$80,000	Check VIN

# New EV Tax Credit

- You transfer your tax credit to the dealer.
- The dealer must pay you for the full value of the tax credit.
- You are responsible for making sure you meet the income limits.
- Dealer will submit information into IRS portal.
- **Make sure you receive confirmation of a successfully submitted IRS seller report before you leave the dealership in your new EV.**



**Make sure you receive confirmation of a  
successfully submitted IRS seller report before  
you leave the dealership in your new EV.**

# New EV Tax Credit

- You do not need to transfer your tax credit to the dealer.
- The buyer cannot resell the vehicle in 30 days.
- A buyer can transfer two tax credits per year. Two new EV tax credits or one new EV tax credit and one used EV tax credit. For joint filers, each person can transfer two tax credits.



# Used Clean Vehicle Tax Credits



**New Vehicle**  
Clean Vehicle  
Tax Credit (30D)



**Used Vehicle**  
Clean Vehicle  
Tax Credit (25E)



**Commercial Vehicle**  
Clean Vehicle  
Tax Credit (45W)



## Used EV Tax Credit

- ❑ The vehicle must be sold by a dealer.
- ❑ Buyer must meet income caps:
  - ❑ **\$150,000** for joint filers
  - ❑ **\$112,500** for head of household
  - ❑ **\$ 75,000** for single filers



# Used EV Tax Credit

Make	Model	Model Year	Vehicle Type
	Escape Plug-in Hybrid	2020–2021	PHEV
	Focus Electric	2012–2018	EV
	Fusion Energi	2013–2020	PHEV
	Mustang Mach-E	2021	EV
<b>Honda</b>			
	Clarity Plug-in Hybrid	2018–2021	PHEV
<b>Hyundai</b>			
	Ioniq Electric Battery Vehicle	2017–2021	EV
	Ioniq Plug-In Hybrid Electric Vehicle	2018–2021	PHEV
	Kona Electric Vehicle	2019–2021	EV



# Used EV Tax Credit

- ❑ Used EVs must be at least 2 years old.
- ❑ The used EV cannot cost more than \$25,000.
- ❑ A buyer can buy a used EV with a tax credit once every 3 years.



# Used EV Tax Credit

- ❑ Each EV is only eligible for the used EV tax credit once.
- ❑ The Used EV tax credit is also transferable.
- ❑ A used EV with a branded title may still be eligible for the tax credit.
- ❑ Used EVs do not need to meet sourcing requirements.
  - ❑ No final assembly
  - ❑ No battery component sourcing
  - ❑ No mineral sourcing
  - ❑ No Foreign Entities of Concern rule



# Commercial Clean Vehicle Tax Credits



## **New Vehicle**

Clean Vehicle

Tax Credit (30D)



## **Used Vehicle**

Clean Vehicle

Tax Credit (25E)



## **Commercial Vehicle**

Clean Vehicle

Tax Credit (45W)



# Fleet Vehicles

## Commercial Clean Vehicle Tax Credits

- Tax Credit has Direct Pay Option
- Can be used by Tax Exempt Entities  
(municipal fleets, non-profits, schools)



# Commercial Clean Vehicle **Tax Credits**

## **VEHICLE REQUIREMENTS**

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No battery or mineral  
sourcing requirements

No Final Assembly  
Requirements

No MSRP caps

No income limits on  
taxpayers

Not Subject to FEOC Rule

## **CREDIT CAPS (WHICHEVER IS LESS)**

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30% of sales price  
(all-electric)

or

15% of sales price  
(PHEV)

or

incremental cost of the  
vehicle

## **CREDIT CAPS**

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\$7,500 for vehicles  
less  
than 14,000 pounds

\$40,000 for vehicles  
over 14,000 pounds

# Commercial Clean Vehicle Tax Credits



## **New Vehicle**

Clean Vehicle

Tax Credit (30D)



## **Used Vehicle**

Clean Vehicle

Tax Credit (25E)



## **Commercial Vehicle**

Clean Vehicle

Tax Credit (45W)

# Commercial Clean Vehicle Tax Credits (45W)

- Leases will use this tax credit.
- Finance company buys vehicle as business investment.
- Tax credit on leases expands list of eligible EVs.



# Key Takeaways

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# Key Takeaways

- New Clean Vehicle Tax Credits
  - Fewer EVs are eligible in 2024.
  - Tax credits are available at time of purchase.
- Used Clean Vehicle Tax Credits
  - Tax credits are available at time of purchase.

**GET CONFIRMATION OF A SUCCESSFULLY  
SUBMITTED SELLER REPORT**

- Commercial Clean Vehicle Tax Credits
  - Can be used by businesses and tax exempt entities
  - Also used for consumer leases
- Some states and utilities offer EV and charging incentives, be sure to check for these. They can often be combined.



# Resources

## Tax Credit Checklist for EV Shoppers

New Vehicle	Used Vehicle
Up to \$7,500	Up to \$4,000
<input type="checkbox"/> <b>Meet income limits</b> <input type="checkbox"/> \$300,000 for joint filers <input type="checkbox"/> \$225,000 for head of household <input type="checkbox"/> \$150,000 for single filers	<input type="checkbox"/> <b>Meet income limits</b> <input type="checkbox"/> \$150,000 for joint filers <input type="checkbox"/> \$112,500 for head of household <input type="checkbox"/> \$ 75,000 for single filers
<input type="checkbox"/> Learn which vehicles are eligible at: <a href="https://fuelconomy.gov/feg/tax2023.shtml">https://fuelconomy.gov/feg/tax2023.shtml</a> <input type="checkbox"/> Use the lookup table <input type="checkbox"/> Identify the vehicle you want <input type="checkbox"/> Find out the price limit for your EV	<input type="checkbox"/> Learn which vehicles are eligible at: <a href="https://fuelconomy.gov/feg/taxused.shtml">https://fuelconomy.gov/feg/taxused.shtml</a> <input type="checkbox"/> Use the lookup table <input type="checkbox"/> Identify the vehicle you want <input type="checkbox"/> Find out the price limit for your EV
<input type="checkbox"/> Make sure dealership is registered with <b>IRS Energy Credits Online</b>	<input type="checkbox"/> Make sure dealership is registered with <b>IRS Energy Credits Online</b>
Vehicle Purchase & Tax Credit Transfer	Vehicle Purchase & Tax Credit Transfer
<input type="checkbox"/> <b>Dealer</b> <input type="checkbox"/> Checks vehicle eligibility in IRS portal <input type="checkbox"/> Provides vehicle price in writing <input type="checkbox"/> Provides other discounts in writing <input type="checkbox"/> Provides full tax credit amount <input type="checkbox"/> <b>You</b> <input type="checkbox"/> Sign an affidavit declaring income <input type="checkbox"/> Sign over your tax credit to the dealer <input type="checkbox"/> Dealer will issue full tax credit amount <input type="checkbox"/> Dealers will submit seller report	<input type="checkbox"/> <b>Dealer</b> <input type="checkbox"/> Checks vehicle eligibility in IRS portal <input type="checkbox"/> Provides vehicle price in writing <input type="checkbox"/> Provides other discounts in writing <input type="checkbox"/> Provides full tax credit amount <input type="checkbox"/> <b>You</b> <input type="checkbox"/> Sign an affidavit declaring income <input type="checkbox"/> Sign over your tax credit to the dealer <input type="checkbox"/> Dealer will issue full tax credit amount <input type="checkbox"/> Dealers will submit seller report
<input type="checkbox"/> <b>Make sure you get a copy of the successfully submitted seller report.</b>	<input type="checkbox"/> <b>Make sure you get a copy of the successfully submitted seller report</b>
<input type="checkbox"/> <b>File the seller report with your taxes next year</b>	<input type="checkbox"/> <b>File the seller report with your taxes next year</b>

## Plug In America website

<https://pluginamerica.org/learn/federal-ev-tax-credits/>

We keep our website up-to-date with the latest on the EV tax credits.

## PlugStar.com by Plug In America

Our online EV shopping tool not only flags vehicles for federal tax credits, it will also identify eligible state and utility incentives.

## EV Support Program

Reach out to our EV Support Program to receive personalized assistance.

**1-877-EV-HELP**

[\*\*SUPPORT@PLUGINAMERICA.ORG\*\*](mailto:SUPPORT@PLUGINAMERICA.ORG)

# Resources



# Questions?

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