

# Looking Into Electric Cars

Session 6 : Something



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**B I B**

**I R A**

**C E J A**

**N E V I**

**A F D C**

**I E P A**

**V 2 G**

**V I N**

**E V < 2**

**I D O T**

**N A F T A**

Federal AFDC

A \$4,000 rebate for the purchase of an all-electric vehicle that is not an electric motorcycle.

A \$1,500 rebate for the purchase of an all-electric motorcycle.

====> EV can be new or used

- The purchaser must reside in Illinois at time of vehicle purchase and at the time the rebate is issued.

====> this and other rules prevent out of state sales getting Illinois rebate money.

- The vehicle must be purchased from a dealer located in Illinois and licensed by the Illinois Secretary of State.

====> Rebates to only benefit Illinois residents and businesses

IEPA - [www2.Illinois.gov](http://www2.Illinois.gov)

- The vehicle cannot have been the subject of a previous EV rebate under this new program in Illinois.

====> EV Vin # can only receive one rebate

- Only individuals can receive a rebate and can only receive one rebate.

====> One rebate per person

- The rebate amount cannot exceed the purchase price of the vehicle.

====> likely to only apply to used vehicles

- The purchaser must retain ownership of the vehicle for a minimum of 12 consecutive months immediately after the vehicle purchase date.

====> not sure why - maybe to avoid a straw buyer for someone wanting 2 EVs and 2 rebates.

IEPA - [www2.Illinois.gov](http://www2.Illinois.gov)

## Electric Vehicle Rebates in Illinois.

### Electric Vehicle Rebate from Illinois

Beginning July 1, 2022, and continuing as long as funds are available, an Illinois resident that purchases an all-electric passenger vehicle in Illinois will be able to apply for a rebate, in the amounts set forth below. A rebate amount cannot exceed the purchase price of the vehicle. The purchaser must retain ownership of the vehicle for a minimum of 12 consecutive months immediately after the vehicle purchase date. Only one rebate will be issued to a purchaser in any 10-year period.

Beginning July 1, 2022, a \$4,000 rebate for the purchase of an electric vehicle.

Beginning July 1, 2026, a \$2,000 rebate for the purchase of an electric vehicle.

Beginning July 1, 2028, a \$1,000 rebate for the purchase of an electric vehicle.

Purchasers must apply for the rebate within 90-days after the vehicle purchase date.

( this does include used vehicles) (no vehicle can receive rebate twice )

(first link is general info : second link is FAQ : 3rd link is the application)

<https://www2.illinois.gov/epa/topics/ceja/Pages/default.aspx>

<https://www2.illinois.gov/epa/topics/ceja/Pages/Electric-Vehicle-Rebates.aspx>

<https://www2.illinois.gov/epa/topics/ceja/Documents/Application%20and%20Instructions.pdf>



2022-07-01

This PDF that will be on the OLLI download site has the web links for documents you need to submit to get the rebate.

## The Clean Energy Jobs Act

There are Illinois rebates for EV  
Chargers for Public chargers not  
private homes.

As I understand this section - but try if you want.

State Plan	Actual FY 2022 Funding	Estimated FY 2023 Funding	EV Charging Corridors	NEVI Planning
<b>Illinois</b> <a href="#">State Plan</a>  <a href="#">Approval Letter</a> 	\$21,998,178	\$31,655,626	<a href="#">1,562 miles</a>	<a href="#">Illinois NEVI Planning</a>

## Illinois IDOT NEVI funding

## **August 2022**

IDOT submits NEVI Plan to the Joint Office

## **Fall 2022**

IDOT continues public and stakeholder outreach

FHWA finalizes regulations setting minimum standards and requirements for projects funded under the NEVI Formula Program

FHWA approves Illinois NEVI plan

## **2023**

IDOT finalizes procurement method for program implementation

IDOT conducts procurement for first round of program

IDOT announces awards of first round of NEVI Implementation

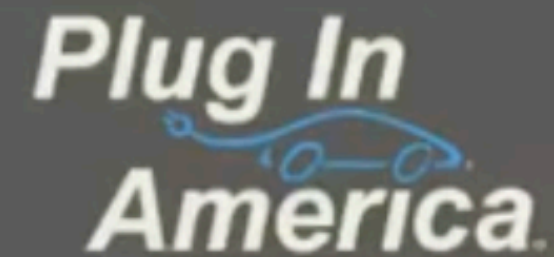
IDOT begins annual update of NEVI plan



### California's 50-mile requirement

Furthermore, the tighter regulations from California—adopted by at least nine other states—are another factor. They require that PHEVs deliver **50 miles of electric range**, starting with the 2026 model year, to earn the full ZEV credit amounts from the state's Air Resources Board.

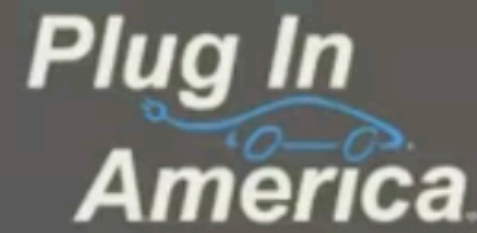
**Not currently an Illinois thing, but Illinois is  
one of the states that often follows  
California**



## Inflation Reduction Act

- Signed into law by President Biden on August 16, 2022
- [Inflation Reduction Act](#) features a package of climate and energy provisions
- EV provisions include:
  - **Consumer credits for new and used vehicles**
  - Alternative fueling refueling stations credit
  - Commercial and manufacturing credits
  - Other EV support (eg. USPS funding assistance)

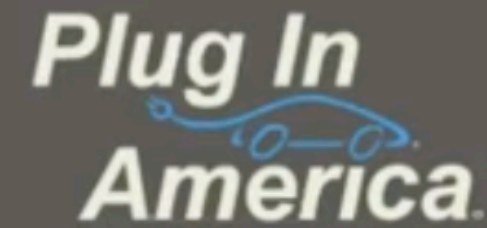
This series of slides is from the Plug In America zoom in August. It is the best rundown of the IRA that I have found and all in one place.



## Previous EV Tax Credit

- Provided up to \$7,500 for the purchase of an electric vehicle
  - Battery electric vehicles (BEVs) were generally eligible for the full \$7,500
  - Plug-in hybrid vehicles (PHEVs) may have been eligible for less, depending on their battery size
- Each manufacturer can only sell up to 200,000 eligible vehicles under the previous credit
- Previous credit can only be claimed on a consumer's taxes for that year
- Now that the IRA is law, the previous credit no longer applies in the same way
  - Details on applicability and transition period will be provided

This series of slides is from the Plug In America zoom in August. It is the best rundown of the IRA that I have found and all in one place.



## New EV Tax Credit

- Now called the “**Clean Vehicle Credit**” and includes plug-in electric vehicles and fuel cell vehicles
- **\$7,500 credit split into two equal parts which have different eligibility requirements:**
  - Critical minerals (\$3,750)
  - Battery components (\$3,750)
- **Vehicles must meet overall eligibility requirements to receive either half (or both halves) of the credit:**
  - MSRP caps
  - Final assembly provision
  - Income caps
- Eliminates manufacturer cap
- Applies to new purchased, financed and leased vehicles
- 2- and 3-wheel vehicles are **not** eligible
- One credit (up to \$7500) allowed per vehicle

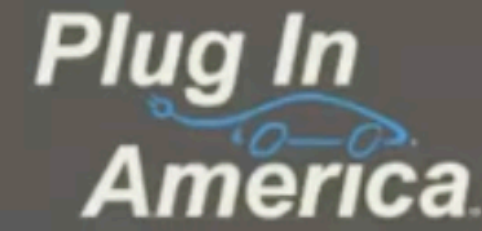
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## Vehicle Eligibility: Critical Minerals

If vehicles meet the following provision, they are eligible for **one half** of the \$7,500 credit

- \$3,750 credit for qualifying critical minerals sourcing
- **A minimum percentage of critical minerals must be extracted or processed in the US or [free trade partner countries](#) OR recycled in North America**  
(percentage increases each year)
- *Critical minerals include, but are not limited to, lithium, graphite, nickel and cobalt*

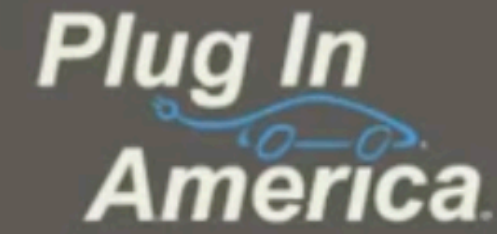


## Vehicle Eligibility: **Battery Components**

If vehicles meet the following provision, they are eligible for the second half of the \$7,500 credit

- \$3,750 credit for qualifying battery components sourcing
- **A minimum percentage of battery components must be manufactured or assembled in North America** (percentage increases each year)
- *Think of this like a “Made in America” provision*

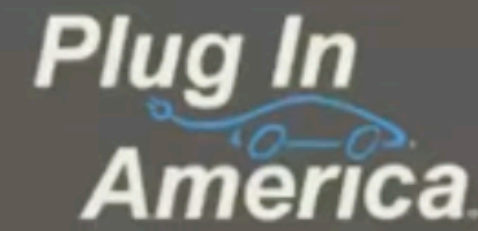
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## Vehicle Eligibility: MSRP Caps

Eligible vehicles must fall at or below the following manufacturer's suggested retail price (MSRP) caps:

- **\$80,000** for vans, SUVs and pickup trucks
- **\$55,000** for other vehicles (including average sedans and other light-duty passenger vehicles)



## Vehicle Eligibility: Other Provisions

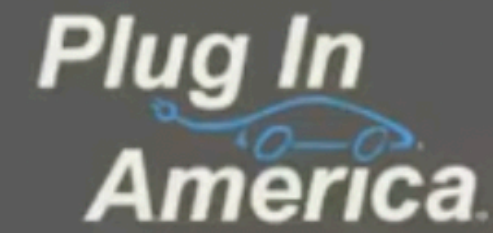
- **Final assembly required to be in North America** (applies now that IRA is signed into law)
- No parts of the supply chain value can come from “foreign entities of concern” (includes China and Russia)
  - For critical minerals, ban on foreign entities of concern takes effect starting after December 31, 2024
  - For battery components, ban on foreign entities of concern takes effect after December 31, 2023

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**NOTE: expires on Dec 31, 2022.**

**If you're serious about an EV - consider buying a charger now.**





## Consumer Eligibility

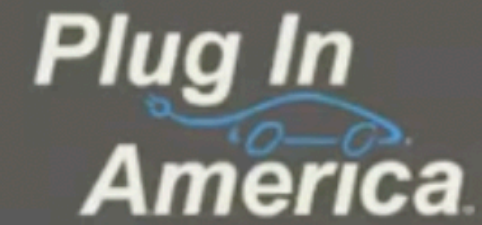
Eligible consumers must fall at or below the following **income caps** (determined by taxes for the applicable year):

- **\$300,000** for joint filers or surviving spouse
- **\$225,000** for head of household
- **\$150,000** for single filers (and others not included in joint filers or head of household)

<p>Married filing separately, \$12,950</p> <ul style="list-style-type: none"> <li>• Married filing jointly or Qualifying surviving spouse, \$25,900</li> <li>• Head of household, \$19,400</li> <li>• If you checked any box under <i>Standard Deduction</i>, see instructions.</li> </ul>	<p>7 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/></p> <p>8 Other income from Schedule 1, line 10</p> <p>9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b></p> <p>10 Adjustments to income from Schedule 1, line 26</p> <p>11 Subtract line 10 from line 9. This is your <b>adjusted gross income</b></p> <p>12 <b>Standard deduction or itemized deductions</b> (from Schedule A)</p> <p>13 Qualified business income deduction from Form 8995 or Form 8995-A</p> <p>14 Add lines 12 and 13</p> <p>15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your <b>taxable income</b></p>	<p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p>
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For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2022)

It is generally considered that those income levels are “adjusted gross income” or line 11 on the IRS 1040 form.



## Point of Purchase Option

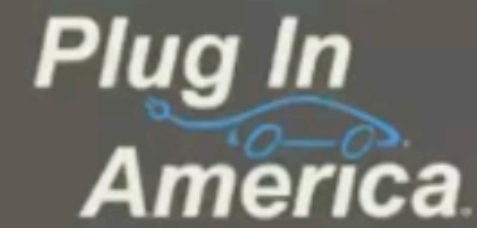
- Consumers can transfer the credit to a registered dealer to apply the credit at point of purchase
  - Allows the credit to “take money off the hood”
- Dealer must make a payment of the full credit amount the vehicle and customer are eligible for to the consumer (in cash, in the form of a partial payment or down payment for the purchase of such vehicle)
- Transfer of credit is not allowed until 2024



# New EV Tax Credit

	Overall Criteria	Sourcing Criteria	Credit Amount
Critical Minerals	<ul style="list-style-type: none"> <li>MSRP caps: <b>\$80,000</b> for vans, SUVs and pickup trucks; <b>\$55,000</b> for all other vehicles</li> <li>Income caps: <b>\$300,000</b> for joint filers, <b>\$225,000</b> for head of household, <b>\$150,000</b> for single filers</li> <li><b>Final assembly must take place in North America</b></li> <li>One credit per vehicle</li> </ul>	Minimum percentage of critical minerals <b>must be extracted or processed in the US</b> or free trade partners OR recycled in North America	\$3750
Battery Components		Minimum percentage of battery components <b>must be manufactured or assembled in North America</b>	\$3750

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## Transition Period for 2022

While there is confusion on what will happen through the transition period, this is what we know so far, **through 2022:**

Previous \$7,500 EV tax credit is still available, with some caveats:

- **Final assembly provision applies** as of August 16, 2022; vehicles now must have final assembly in North America to be eligible for the credit
- **Manufacturer cap is still active.** Tesla and GM are not eligible and Toyota is expected to begin its phase out on October 1, 2022, which means that its vehicles would only be eligible for 50% of the credit beginning on that date
- MSRP and income caps do not apply yet
- Battery components and critical minerals provisions do not apply yet

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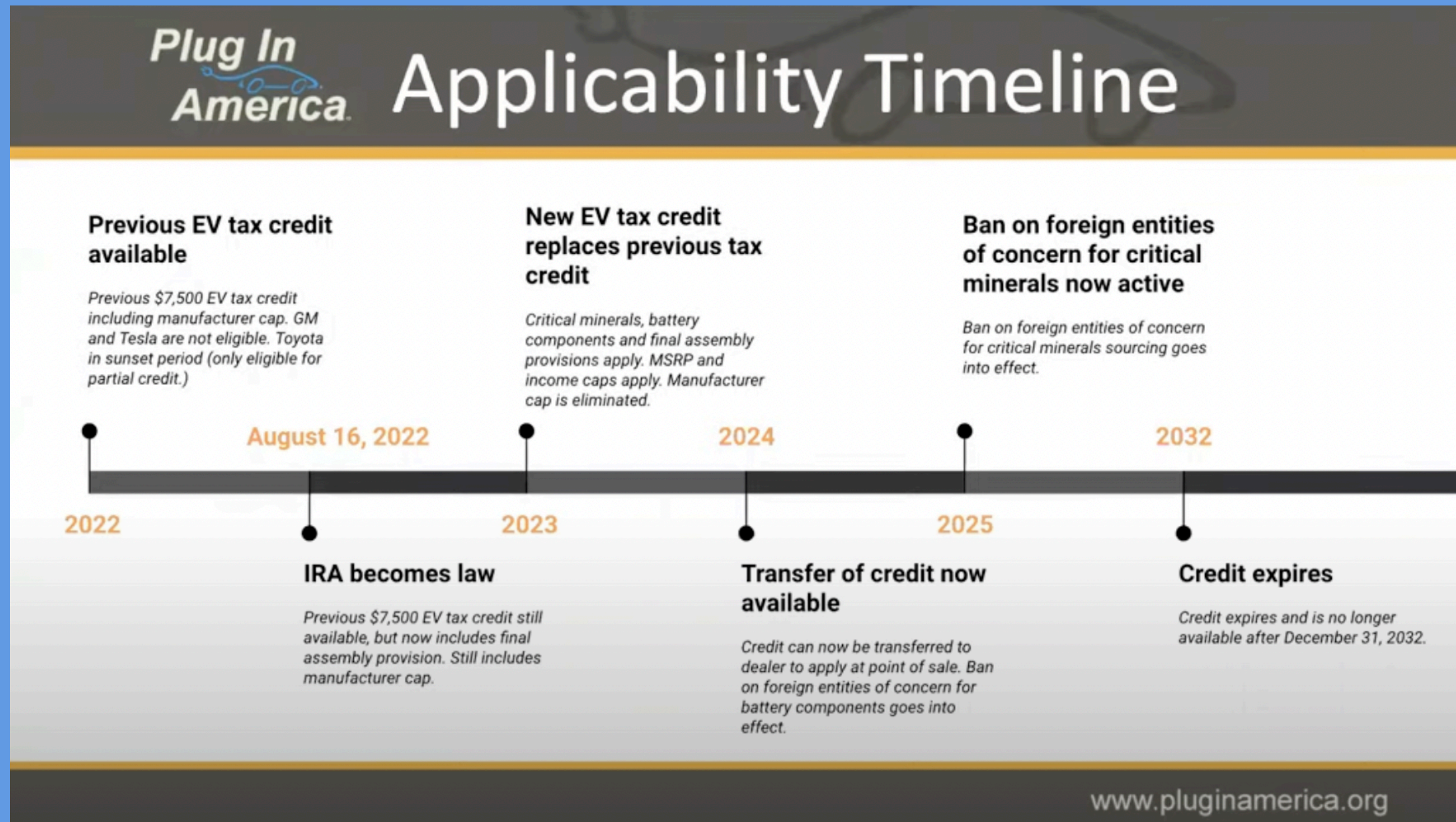


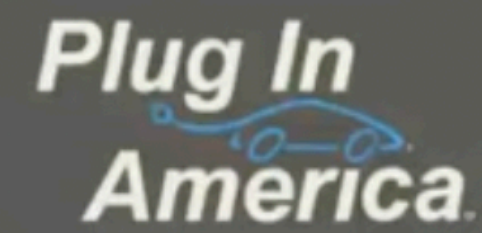
## Transition Period for 2023

### Starting in 2023:

- The new federal tax credit will be available for all manufacturers and eligible vehicles and consumers through 2032
  - Battery components and critical minerals provisions apply
  - MSRP and income caps apply
  - Final assembly provision applies
- *The used EV tax credit will also be available for eligible vehicles and consumers.*

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## Overview

- Unprecedented tax credit for used vehicles that **provides either \$4000 or 30% of the sale price** of the eligible used vehicle (whichever is smaller)
- Used EV tax credit will be available in 2023
- Point of purchase “money off the hood” (transfer of credit) will be allowed after December 31, 2023
- Eligible consumers must fall at or below the income caps
- Vehicle must also meet additional price and sale requirements (details to come)

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## Federal Used Car Credit

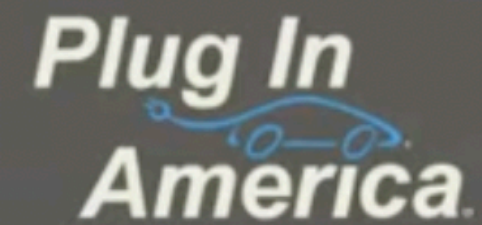




# Used EV Tax Credit

Vehicle Requirements	Income Caps	Credit Amount
<ul style="list-style-type: none"> <li>● Vehicle must be <b>at least 2 years old</b></li> <li>● <b>Under \$25,000</b></li> <li>● Sold by a dealer</li> <li>● <b>No additional sourcing requirements</b> (eg. critical minerals, battery components, final assembly)</li> </ul>	<p>Eligible consumers must fall at or below the income caps:</p> <ul style="list-style-type: none"> <li>● <b>\$150,000</b> for joint return or surviving spouse</li> <li>● <b>\$112,500</b> for head of household</li> <li>● <b>\$75,000</b> for others</li> </ul>	<p><b>\$4,000</b> or <b>30%</b> of the price of the vehicle (whichever is less)</p>

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



## EVSE/EV Charger Credit

- The federal tax credit for charging equipment has been extended through 2032
- For individual/residential uses, the tax credit covers 30% (up to \$1,000 per unit) of the cost of the equipment
- For commercial uses, the tax credit covers 6% (up to \$100,000 per unit) of the cost of the equipment
- Bidirectional charging equipment is eligible
- 2 and 3 wheeled equipment is eligible
- Starting after 2022, equipment must be placed in a low-income community or non-urban area

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

**NOTE: expires on Dec 31, 2022.**

**If you're serious about an EV - consider buying a charger now.**



## Helpful tips and resources

### Tips

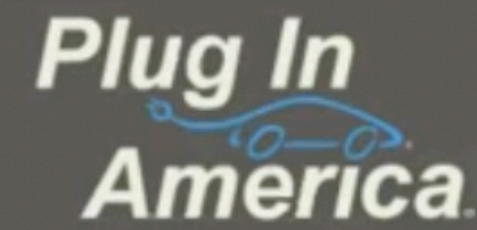
- **Confirmed information on eligible vehicles for the new credit is not yet available**
  - If you are planning purchasing decisions, the manufacturer is best source of information
- Manufacturers are racing to meet the new requirements, eligibility will likely change rapidly for each vehicle - keep checking!
- Configure your vehicle order to fall under MSRP caps
- Consider purchasing a charger for your home this year to ensure you can use the EV charger credit!

### Resources

- **Federal resources**
  - Breakdown of the credit and transition period rules ([Internal Revenue Service](#))
  - List of vehicles with final assembly in North America ([Department of Energy](#))
  - VIN decoder for build location information ([Department of Energy](#))
- **Plug In America resources**
  - Visit [PlugStar.com](#) to find the right vehicle for you
  - Contact the [EV Support Program](#) with any questions

www.pluginamerica.org

Most of these links are on a download on the OLLI website



# Potentially Eligible Vehicles

(Potentially) eligible in 2022	(Potentially) eligible in 2023	(Likely) not eligible
Nissan LEAF	Nissan LEAF	Audi E-Tron
Ford Mustang Mach-E	Ford Mustang Mach-E	Hyundai Ioniq
Rivian R1T	Ford F-150 Lightning	Fisker Ocean
Rivian R1S	Chevrolet Bolt EUV	Kia EV6
Lucid Air	Tesla Model 3	Subaru Solterra
Jeep Wrangler PHEV	Tesla Model Y	Toyota bZ4x
BMW 330e	Volkswagen ID.4	Jaguar I-Pace

*Note: This is not a comprehensive or confirmed list. Plug In America does not guarantee its accuracy or that what we have shared will ensure a consumer or vehicle will be eligible for any tax benefit.*

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

Basically a good list - but it is best to check the federal website for model listing and then check the VIN

Most of these links are on a download on the OLLI website



## Potentially Eligible Vehicles

- **Eligible vehicles are still being confirmed, especially for 2023 and beyond**
- For potentially eligible vehicles through 2022, refer to the [Department of Energy](#) list of vehicles with final assembly in North America
- For potentially eligible vehicles beyond 2022, refer to this [Consumer Reports](#) list on current and upcoming EVs with final assembly in North America that fall below the MSRP caps
  - *Does not include which vehicles will meet the battery components and critical minerals requirements*

www.pluginamerica.org

The Consumer Reports link is too old and of little use.

Most of these links are on a download on the OLLI website

## Session 6 : Something

**Critical Minerals:** To be eligible for the \$3,750 critical minerals portion of the tax credit, the percentage of the value of the battery's critical minerals that are extracted or processed in the United States or a U.S. free-trade agreement partner or recycled in North America, must increase according to the following schedule:

<b>Year</b>	<b>Critical minerals minimum percent value requirement</b>
2023	40%
2024	50%
2025	60%
2026	70%
2027 and later	80%

**The phasing in of the minerals and battery components was left out of the Plug In America presentation.**

## Session 6 : Something

**Battery Components:** To be eligible for the \$3,750 battery components portion of the tax credit, the percentage of the value of the battery's components that are manufactured or assembled in North America must increase according to the following schedule:

<b>Year</b>	<b>Battery components minimum percent value requirement</b>
2023	50%
2024 and 2025	60%
2026	70%
2027	80%
2028	90%
2029 and later	100%

**The phasing in of the minerals and battery components was left out of the Plug In America presentation.**