

Looking Into Electric Cars

Session 6: Misc & Alphabet Soup



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Breaking news

STATE AND FEDERAL FUNDING

Illinois looks to add enough chargers to support 1M EVs

Coordinator says 30,000 more ports are needed to reach energy goals

By COLE LONGCOR
news@capitolnewsillinois.com

Illinois' electric vehicle charging infrastructure is on pace to double this year, buoyed by an influx of state and federal dollars.

The investments are aimed at supporting both federal and state environmental goals. The Biden Administration set the goal of EVs making up half of all U.S. vehicle sales by 2030. Under the Climate and Equitable Jobs Act — Gov. J.B. Pritzker's marquee climate law that passed in 2021 — Illinois aims to have one million EVs on the road by 2030.

These targets have spawned major infrastructure programs, which after years of planning and funding are seeing tangi-

ble results in Illinois.

State funding allocated in 2023 put Illinois on course to double the number of direct current, or DC, fast charging ports on state roads within a year, from 993 to 1,914. The increase brings the number of fast charging ports to over 25 percent of the 7,000 DC ports estimated to be needed to support the state's EV goals.

In Illinois, several agencies are part of the effort to ensure EV charging infrastructure gets where it is needed, but the drive is coordinated by Megha Lakhchaura, the state electric vehicle coordinator at the Illinois Environmental Protection Agency.

"We expect that we will need 36,000 public



Andrew Campbell/Capitol News Illinois
Two electric vehicles are pictured at a charging station in Springfield.

charging ports to support one million EVs. Most of these will be level two chargers, but we will need close to 7,000 fast charging ports by 2030," Lakhchaura said in an email statement. "We expect to have over 2,000 fast charging ports by the end of 2024 if the chargers are installed on time."

There are almost 2,300 level two charging ports

in Illinois which fully charge a vehicle in five to six hours. The number of DC fast charging ports, which can charge a vehicle in under an hour, increased in the last month from 993 to 1,010 ports.

The development of EV infrastructure will build on expansions completed last year. The number of electric vehicles in Illinois rose 60 percent last year



— by more than 30,000 EVs — compared to the national average increase of 50 percent. As of January, the Illinois secretary of state reported there were 93,821 EVs licensed for state roads.

"We spent money last year to double the number of ports within a year. So, by the end when all of this comes into fruition when the installation happens, you'll have just seen a doubling of the number of ports by just the state programs," Lakhchaura said. "And we're not done yet. We still have more money to go on this year."

EV funding sources

There are three main sources of EV infrastructure funding: the federal Charging and Fueling Infrastructure, or CFI, grant program; the National Electric Vehicle Infrastructure, or NEVI program; and state funding from the Illinois Department of Transportation and the IEPA.

"We have three baskets of investment to create this charging network in the state," Lakhchaura said. "The idea is that everything complements each other, and we're avoiding duplication or building at the same sites."

Lakhchaura said building out EV charging infrastructure and educating the public on the advancements in EV technology is an important step toward moving Illinois toward its climate goals.

"We spent money last year to double the number of ports within a year."

(Photo) I think I've charged at this Springfield location

CapitolNewsIllinois

In Monday's News-Gazette

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But first : This is a chart for most of the federal rebates for different types of electrifications. It is from the group Electrify Everything.

The two benefits are :

- 1) electric options are frequently more efficient and have fewer air quality issues.
- 2) Each year the production of that electricity becomes cleaner and cheaper.

Buying	Up-front discount, low-income	Up-front discount, moderate-income	Tax credit
Clean electricity			
Electrical wiring (pre-wire outlets early!)	100% up to \$2,500 (HEEHRA)	50% up to \$2,500 (HEEHRA)	
Electrical panel (if under 100-amps)	100% up to \$4,000 (HEEHRA)	50% up to \$4,000 (HEEHRA)	30% up to \$600 (25C) or 30% uncapped (25D), depending on the corresponding upgrade ⁹
Weatherization	100% up to \$1,600 (HEEHRA)	50% up to \$1,600 (HEEHRA)	30% up to \$1,200 (25C)
Heat pump	100% up to \$8,000 (HEEHRA)	50% up to \$8,000 (HEEHRA)	30% up to \$2,000 (25C)
Heat pump water heater	\$100% up to \$1,750 (HEEHRA)	50% up to \$1,750 (HEEHRA)	30% up to \$2,000 (25C)
Electric/induction stove	100% up to \$840 (HEEHRA)	50% up to \$840 (HEEHRA)	
Heat pump clothes dryer	100% up to \$840 (HEEHRA)	50% up to \$840 (HEEHRA)	
New EV	\$7,500 (30D) ¹⁰		
Used EV	30% up to \$1,000 (30C) ¹¹		
EV Charger	30% up to \$1,000 for some census tracts (30C)		
Rooftop solar	30% (25D)		
Geothermal heat pump	30% (25D)		
Battery storage	30% (25D)		

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Tax Credit Checklist for EV Shoppers	
New Vehicle	Used Vehicle
Up to \$7,500	Up to \$4,000
<input type="checkbox"/> Meet income limits <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"/> Meet income limits <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 https://fueleconomy.gov/feg/tax2023.shtml <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 https://fueleconomy.gov/feg/taxused.shtml <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 IRS Energy Credits Online	<input type="checkbox"/> Make sure dealership is registered with IRS Energy Credits Online
Vehicle Purchase & Tax Credit Transfer	Vehicle Purchase & Tax Credit Transfer
<input type="checkbox"/> Dealer <input type="checkbox"/> Check vehicle eligibility in IRS portal <input type="checkbox"/> Provide vehicle price in writing to you <input type="checkbox"/> Provide other discounts in writing to you <input type="checkbox"/> Provide full tax credit amount to you <input type="checkbox"/> You <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"/> Dealer will submit seller report	<input type="checkbox"/> Dealer <input type="checkbox"/> Check vehicle eligibility in IRS portal <input type="checkbox"/> Provide vehicle price in writing to you <input type="checkbox"/> Provide other discounts in writing to you <input type="checkbox"/> Provide full tax credit amount to you <input type="checkbox"/> You <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"/> Dealer will submit seller report
<input type="checkbox"/> Make sure you get a copy of the successfully submitted seller report.	<input type="checkbox"/> Make sure you get a copy of the successfully submitted seller report
<input type="checkbox"/> File the seller report with your taxes next year	<input type="checkbox"/> File the seller report with your taxes next year

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B I B

C E J A

I R 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

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- **46** announcements of new, expanded, or reopened utility-scale manufacturing facilities:
 - **26** solar manufacturing facilities
 - **10** battery storage manufacturing facilities
 - **8** wind manufacturing facilities
 - **2** offshore wind manufacturing facilities
- **18,000** new American manufacturing jobs
- Nearly **96,000 MW** of announced clean energy capacity
- **\$4.4 billion** in announced consumer savings
 - **24 million** Americans served by utilities that announced consumer savings
- States that will see new or expanded factories include **Alabama, Arizona, Colorado, Georgia, Iowa, Michigan, Minnesota, New Mexico, New York, Ohio, Tennessee,** and **Texas**, while other locations remain undetermined.

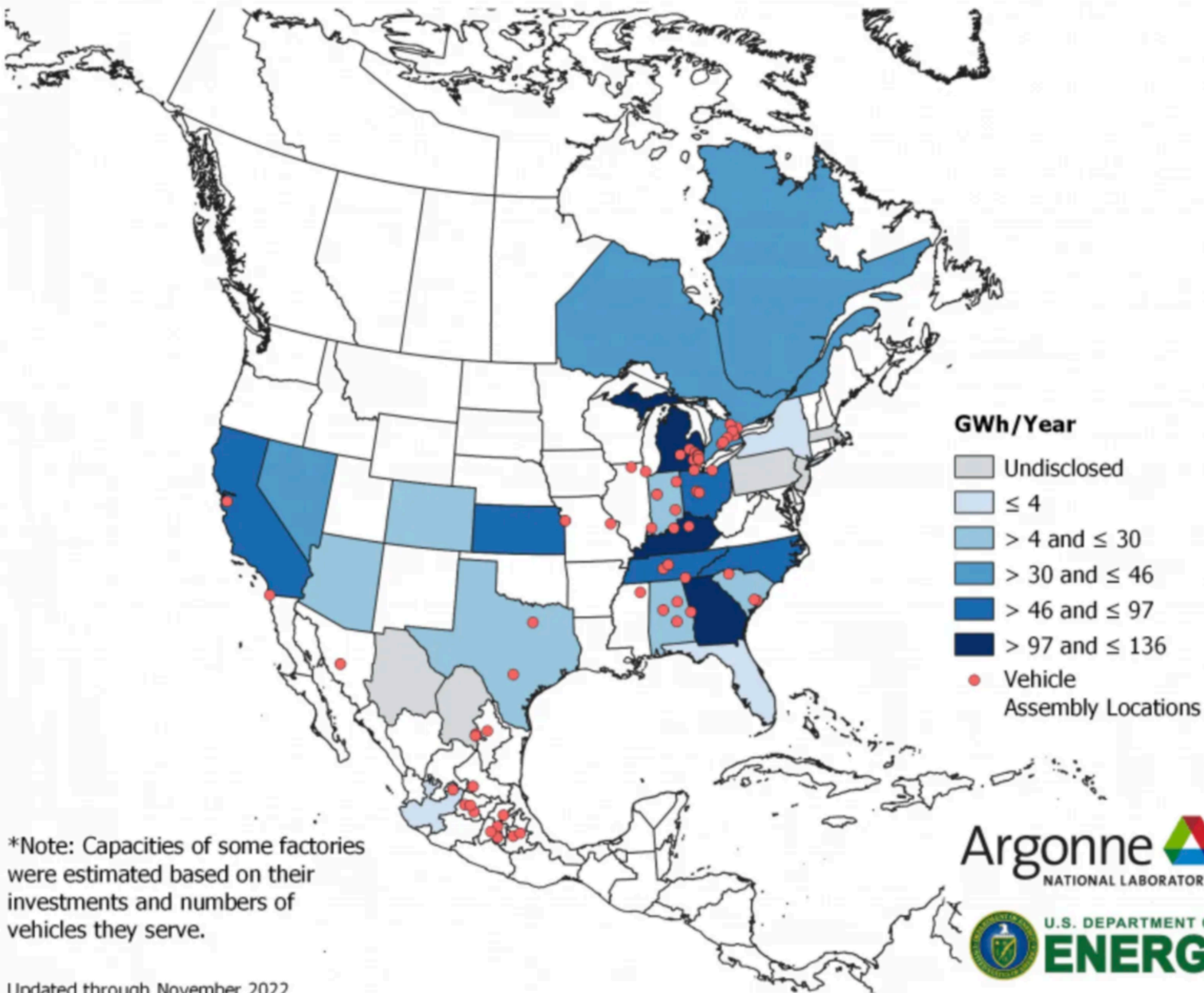
As mentioned last week the Inflation Reduction Act has lead to lots of construction to make critical materials less dependent on foreign sources. This is a more graphical representation of it.

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These states will dominate EV battery manufacturing in 2030

Planned Battery Plant Capacity in North America by 2030



*Note: Capacities of some factories were estimated based on their investments and numbers of vehicles they serve.

Updated through November 2022

As mentioned last week the Inflation Reduction Act has lead to lots of construction to make critical materials less dependent on foreign sources. This is a more graphical representation of it.

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Some EVs will miss all of the Tax Credit because they aren't assembled in the US. Some EVs will miss some or all of the Tax Credit because they fall short on one or both of the battery requirements. But commercial vehicles are not subject to those rules. If you lease instead of buy a car, it is a commercial vehicle and the retail price the lease is based on is lowered. This "loophole" does not allow purchase of the vehicle by the lessee at the end of term.

Kia To Offer \$7,500 Discount To EV Shoppers Opting To Lease One Of Its Models

A provision in the Inflation Reduction Act allows Kia to offer the discount despite not being eligible for the tax credit

by Brad Anderson

May 4, 2023 at 08:36



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The reason for the loophole was not about cars but to allow more small delivery trucks to go electric.

Those small amazon delivery and some other not quite as small trucks for UPS and FedEx drive so much farther than the average car. It is important for them to go electric. And by writing the commercial vehicle exemption let some cars get the credit.

(But as noted in the previous slide, lessee can't buy vehicle at end of lease.)

How to bypass nearly every restriction of the EV tax credit by leasing

Jameson Dow



Last week, the IRS [updated the EV tax credit](#) with new battery sourcing requirements set to go into place on April 17, with the effect of lowering purchase credit amounts for many new EVs.

But since the law defines individual and commercial credits differently, those requirements – along with MSRP and income requirements – can be bypassed on consumer-leased vehicles.

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Illinois Rebate

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A big difference between Federal Tax Credit and Illinois Rebates is the funding.

The Federal Tax credit is a “swap”. You bought a car - your tax credit comes from what you owe in taxes. It is a great deal - but the money comes from you. So they always have the money.

The Illinois rebate - you get it even if you owe no taxes. The state budget pays for it.

Currently the money for the state rebates has run out and needs additional funding going forward. The structure to apply and get the rebate remains in place. But waits for the new state budget to know if there will be money for the program.

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Illinois Rebate

There are several other differences between Federal tax credits and Illinois rebates

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Illinois Rebate

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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

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Illinois Rebate

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- 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

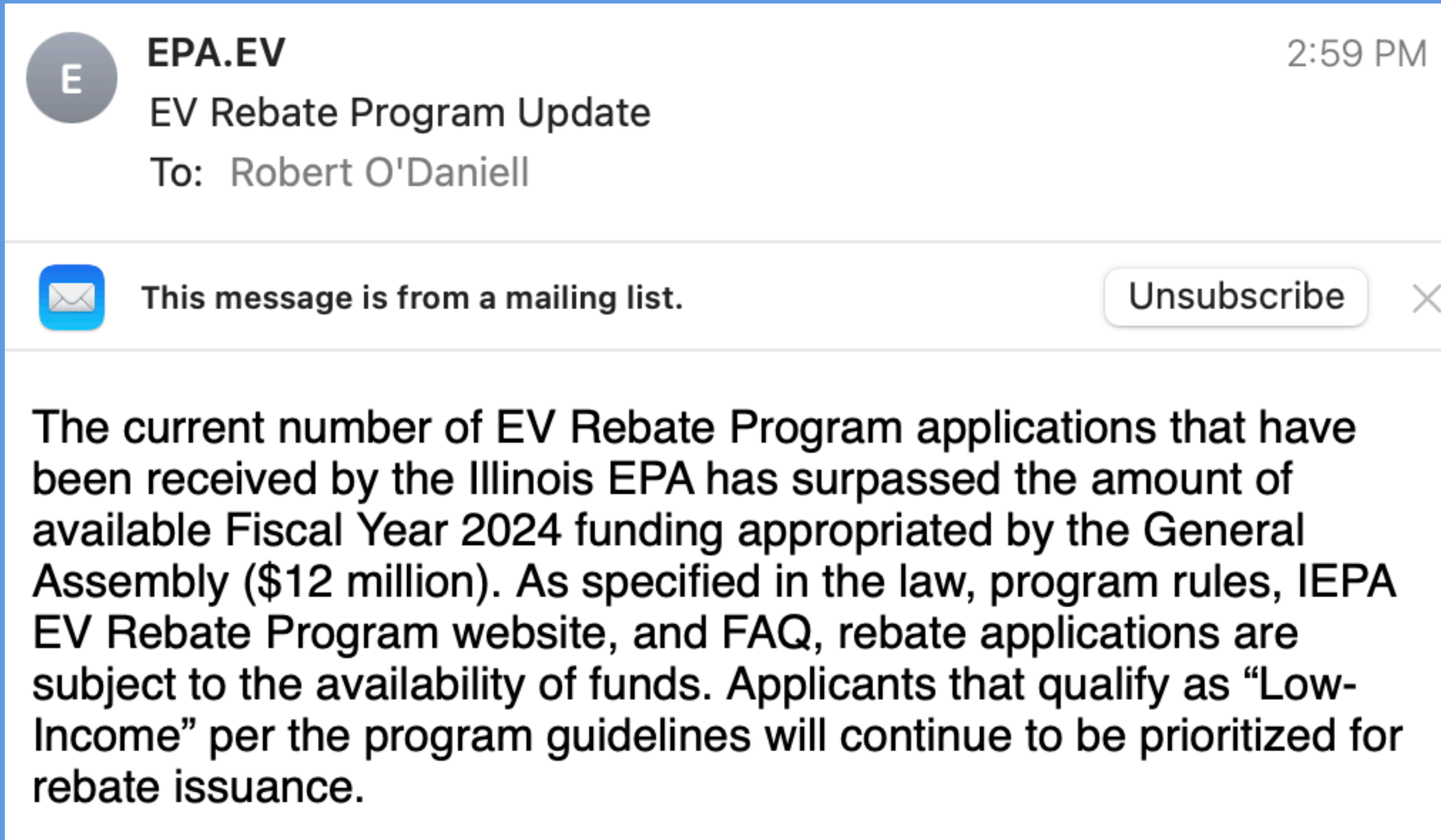
- The rebate amount cannot exceed the purchase price of the vehicle.

====> 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



The screenshot shows an email interface. At the top left is a circular profile picture with the letter 'E'. To its right is the sender's name 'EPA.EV' and the subject 'EV Rebate Program Update'. Below the subject is the recipient's name 'To: Robert O'Daniell'. In the top right corner, the time '2:59 PM' is displayed. Below the header is a horizontal bar with a blue envelope icon on the left, the text 'This message is from a mailing list.', a rounded button labeled 'Unsubscribe', and a close icon 'X' on the right. The main body of the email contains a paragraph of text.

EPA.EV 2:59 PM

EV Rebate Program Update
To: Robert O'Daniell

This message is from a mailing list. [Unsubscribe](#) X

The current number of EV Rebate Program applications that have been received by the Illinois EPA has surpassed the amount of available Fiscal Year 2024 funding appropriated by the General Assembly (\$12 million). As specified in the law, program rules, IEPA EV Rebate Program website, and FAQ, rebate applications are subject to the availability of funds. Applicants that qualify as “Low-Income” per the program guidelines will continue to be prioritized for rebate issuance.

EPA.EV Email 2023-11-15

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Illinois Rebate

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Electric Vehicle Tax Credits and 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>

All of that being said in the first year funding was \$20,000,000 and that ran out. In 2023 the second year of funding was (it ran out already) \$12,000,000. And twice as many EVs were sold. So no money until Illinois' net fiscal year which begins on July 1st. I expect even less funding. Don't plan on getting this. But my mantra is always apply for it - maybe you'll get lucky. The odds are best if you buy car in July and apply as soon as possible. If no funds are available - some links will be missing. Keep checking ?

Federal Tax Credit (about that asterisk)

Big change on Jan 1 2024. The asterisk is gone. As of Jan 1 2024, the tax credit can be applied to the cost of the vehicle at the time of sale. The vehicle must qualify and the dealer must check the VIN with the Federal website and before sale is completed. Some dealers may not do this (they must apply to the feds to get on their list).

With the battery component there is the possibility of two cars of the same model and year on the lot will have different batteries. One may qualify and the other might not. The battery gets the tax credit NOT the car.

You can take the tax credit the old way but only if you want to risk getting less money and incur extra costs doing it. At the dealer you will get \$7,500, but by filing on your own you may get less depending on your tax liability. Do it at the dealer !

Tax credit is claimed by including IRS form 8936.

2024-02-01

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

Illinois changed there webpages. Links still work but differently. Due to demand far outstripping funding some if these links won't work as requests are redirected.

This PDF also includes Federal information

The Clean Energy Jobs Act



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

As I understand this section - but try if you want. But it never hurts to apply.

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Illinois NEVI

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State Plan	Actual FY 2022 Funding	Estimated FY 2023 Funding	EV Charging Corridors	NEVI Planning
Illinois State Plan  Approval Letter 	\$21,998,178	\$31,655,626	1,562 miles	Illinois NEVI Planning

Illinois IDOT NEVI funding

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Illinois NEVI

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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

Certain contracting requirements are needed for federal contracts. Buildout will be slower than most private expansion. Like EA.

California's 50-mile requirement

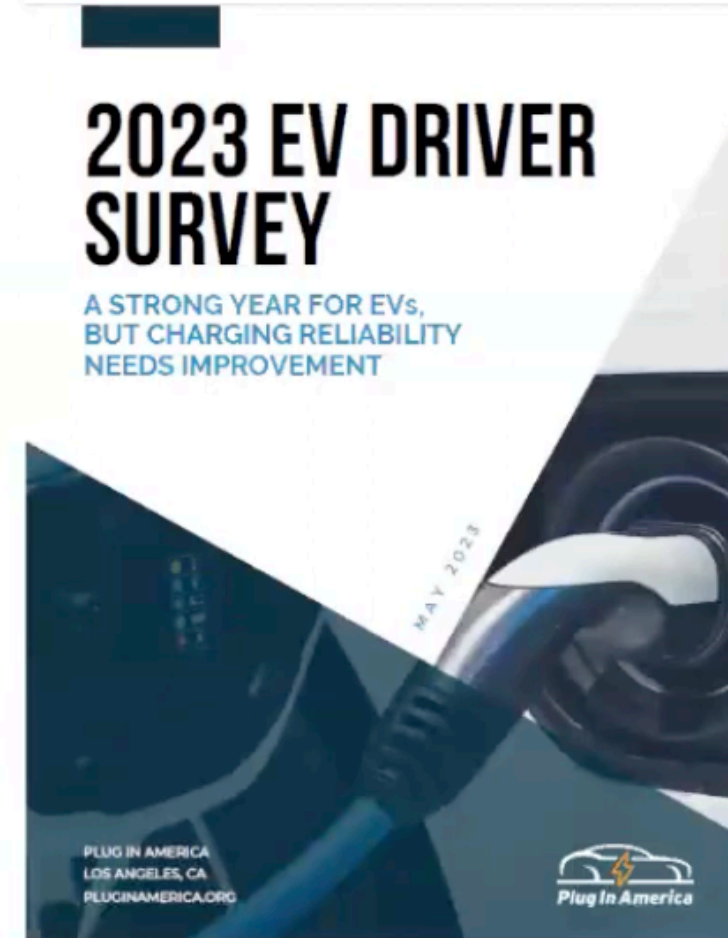
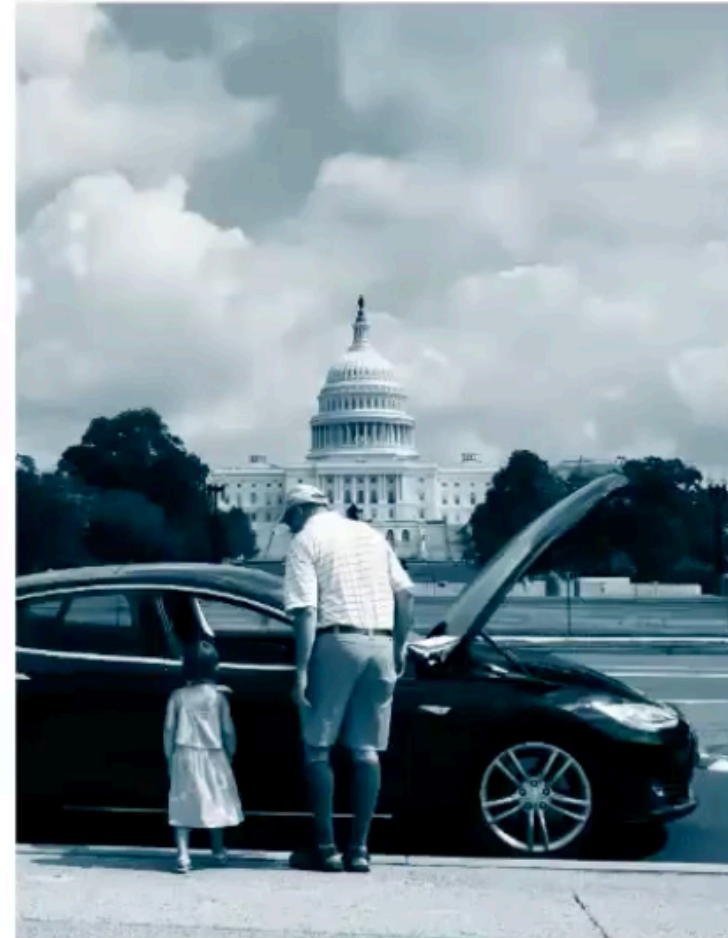
Furthermore, the tighter regulations from California—adopted by at least nine other states—are another factor. They require that PHEVs deliver **50 miles of electric range**, starting with the 2026 model year, to earn the full ZEV credit amounts from the state's Air Resources Board.

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

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Federal IRA EV info

Session 6: Misc & Alphabet Soup



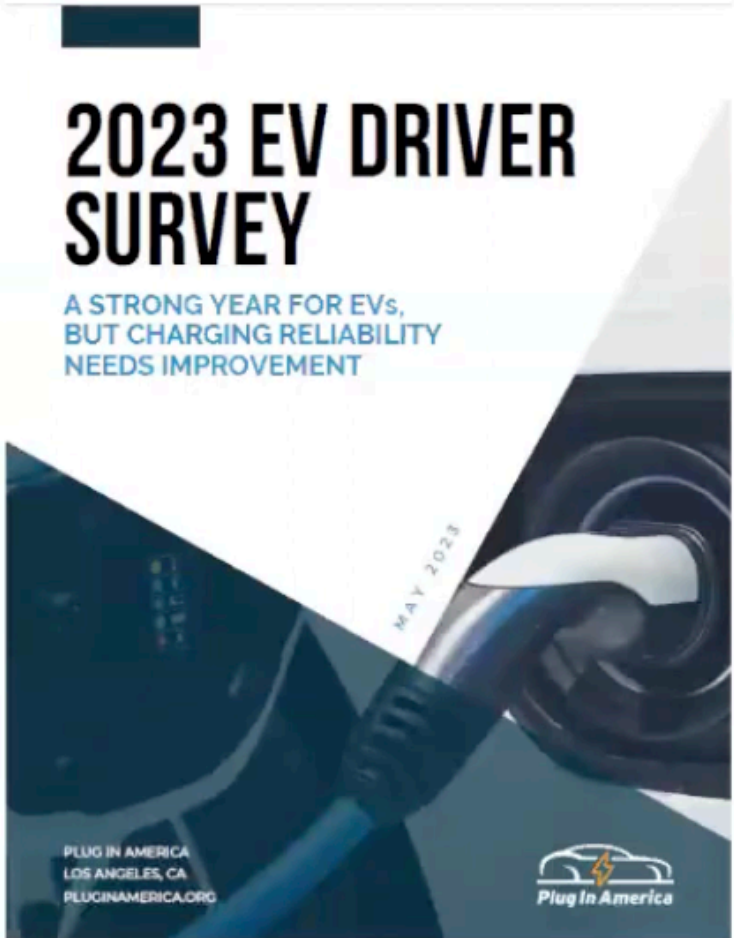
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This series of slides is from the Plug In America zoom webinars. One was in Aug 2022 and the other one in late 2023. The late 2023 was to emphasize changes that came into effecting the multiyear IRA law. It is the best rundown of the IRA that I have found and all in one place (Twice !). These slides are shuffled together from both of those.

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Federal IRA EV info

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If you want to watch this - the web link is below.

<https://www.youtube.com/watch?v=zMz3ZtTvVFs>

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REMINDER

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

This caveat applies
to both them and
myself.

If you want to watch this - the web link is below.

<https://www.youtube.com/watch?v=zMz3ZtTvVFs>

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Federal Incentives

Ingrid Malmgren

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If you want to watch this - the web link is below.

<https://www.youtube.com/watch?v=zMz3ZtTvVFs>

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State Incentives

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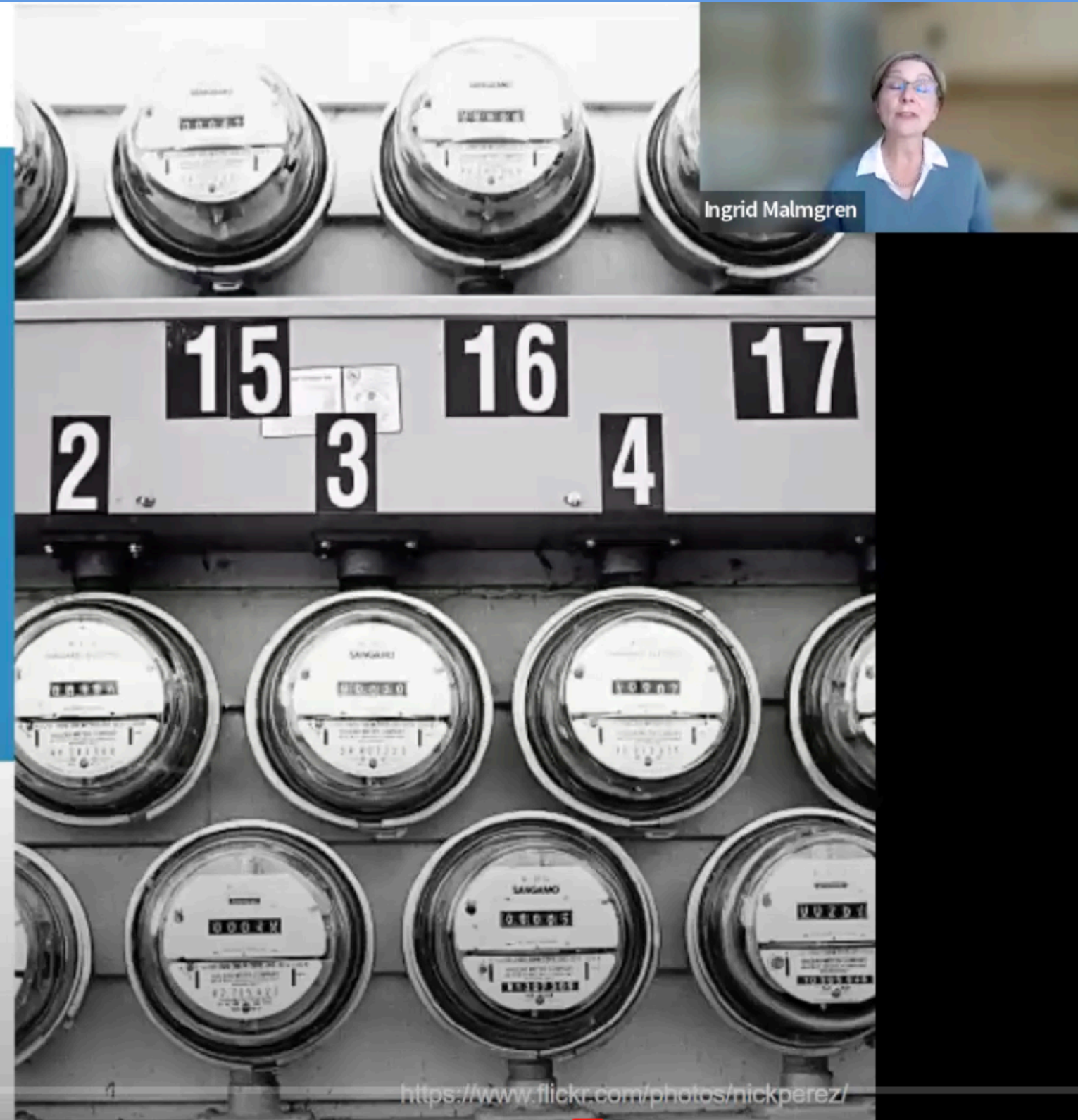
Ingrid Malmgren

If you want to watch this - the web link is below.

<https://www.youtube.com/watch?v=zMz3ZtTvVFs>

Utility Incentives

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



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If you want to watch this - the web link is below.
<https://www.youtube.com/watch?v=zMz3ZtTvVFs>

U.S. Electric Vehicle Incentives

- Federal Tax Credits
- State Incentives
- Utility incentives



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If you want to watch this - the web link is below.

<https://www.youtube.com/watch?v=zMz3ZtTvVFs>

Clean Vehicle Tax Credits



Vehicle Type	Credit Amount
New Clean Vehicle	30D
Used Clean Vehicle	25E
Commercial Clean Vehicle	45W

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If you want to watch this - the web link is below.

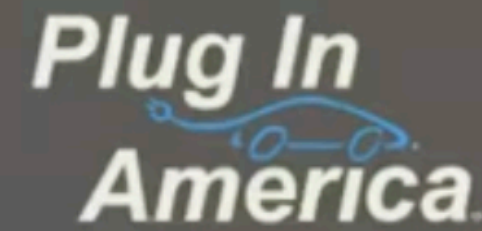
<https://www.youtube.com/watch?v=zMz3ZtTvVFs>



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 webinar 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



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

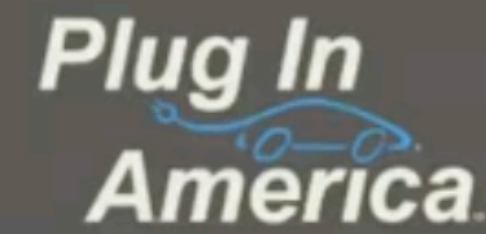
www.pluginamerica.org



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*



Vehicle Eligibility: MSRP Caps

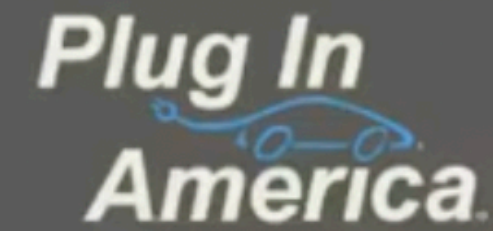
Eligible vehicles must fall at or below the following manufacturer's suggested retail price (MSRP) caps:

- **\$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



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)

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Federal IRA EV info

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Married filing separately, \$12,950
• Married filing jointly or Qualifying surviving spouse, \$25,900
• Head of household, \$19,400
• If you checked any box under Standard Deduction, see instructions.

7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7
8	Other income from Schedule 1, line 10	8
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9
10	Adjustments to income from Schedule 1, line 26	10
11	Subtract line 10 from line 9. This is your adjusted gross income	11
12	Standard deduction or itemized deductions (from Schedule A)	12
13	Qualified business income deduction from Form 8995 or Form 8995-A	13
14	Add lines 12 and 13	14
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15

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.


The income levels exist for the duration of the law

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Federal IRA EV info

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Form 1040 (2022) Page **2**

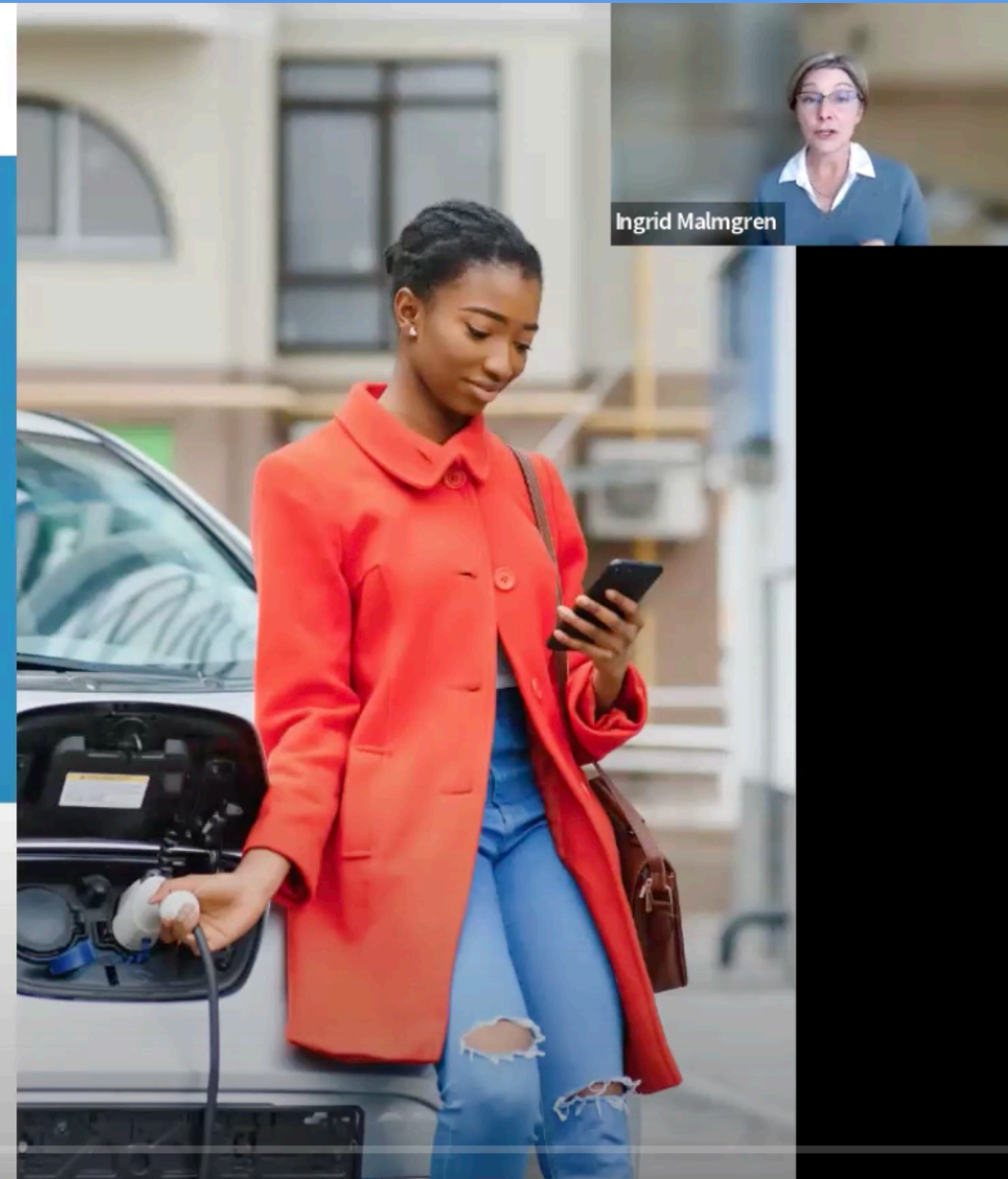
Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____ . . .	16	
	17	Amount from Schedule 2, line 3	17	
	18	Add lines 16 and 17	18	
	19	Child tax credit or credit for other dependents from Schedule 8812	19	
	20	Amount from Schedule 3, line 8	20	
	21	Add lines 19 and 20	21	
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22	
	23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
	24	Add lines 22 and 23. This is your total tax 	24	

In order receive the full \$7500 the amount of “total tax” or line 24 on the IRS 1040 form needs to be above \$7500.

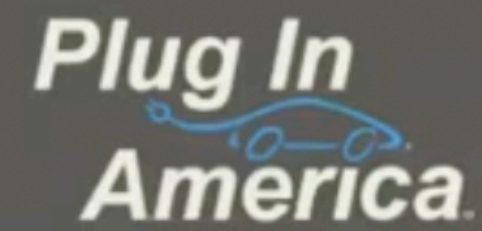
Starting Jan 1, 2024 it is better to transfer the tax credit to the dealer.

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



**This is SO much better. Get the credit at point of purchase.
Avoid waiting until tax time and doing extra paper work.**



Point of Purchase Option

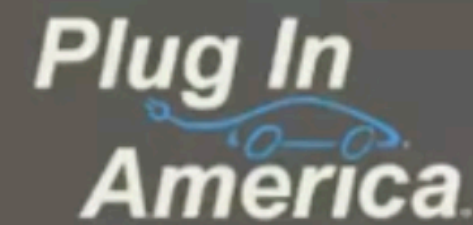
- Consumers can transfer the credit to a registered dealer to apply the credit at point of purchase
 - Allows the credit to “take money off the hood”
- Dealer must make a payment of the full credit amount the vehicle and customer are eligible for to the consumer (in cash, in the form of a partial payment 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">MSRP caps: \$80,000 for vans, SUVs and pickup trucks; \$55,000 for all other vehiclesIncome caps: \$300,000 for joint filers, \$225,000 for head of household, \$150,000 for single filers	Minimum percentage of critical minerals must be extracted or processed in the US or free trade partners OR recycled in North America	\$3750
Battery Components	<ul style="list-style-type: none">Final assembly must take place in North AmericaOne credit per vehicle	Minimum percentage of battery components must be manufactured or assembled in North America	\$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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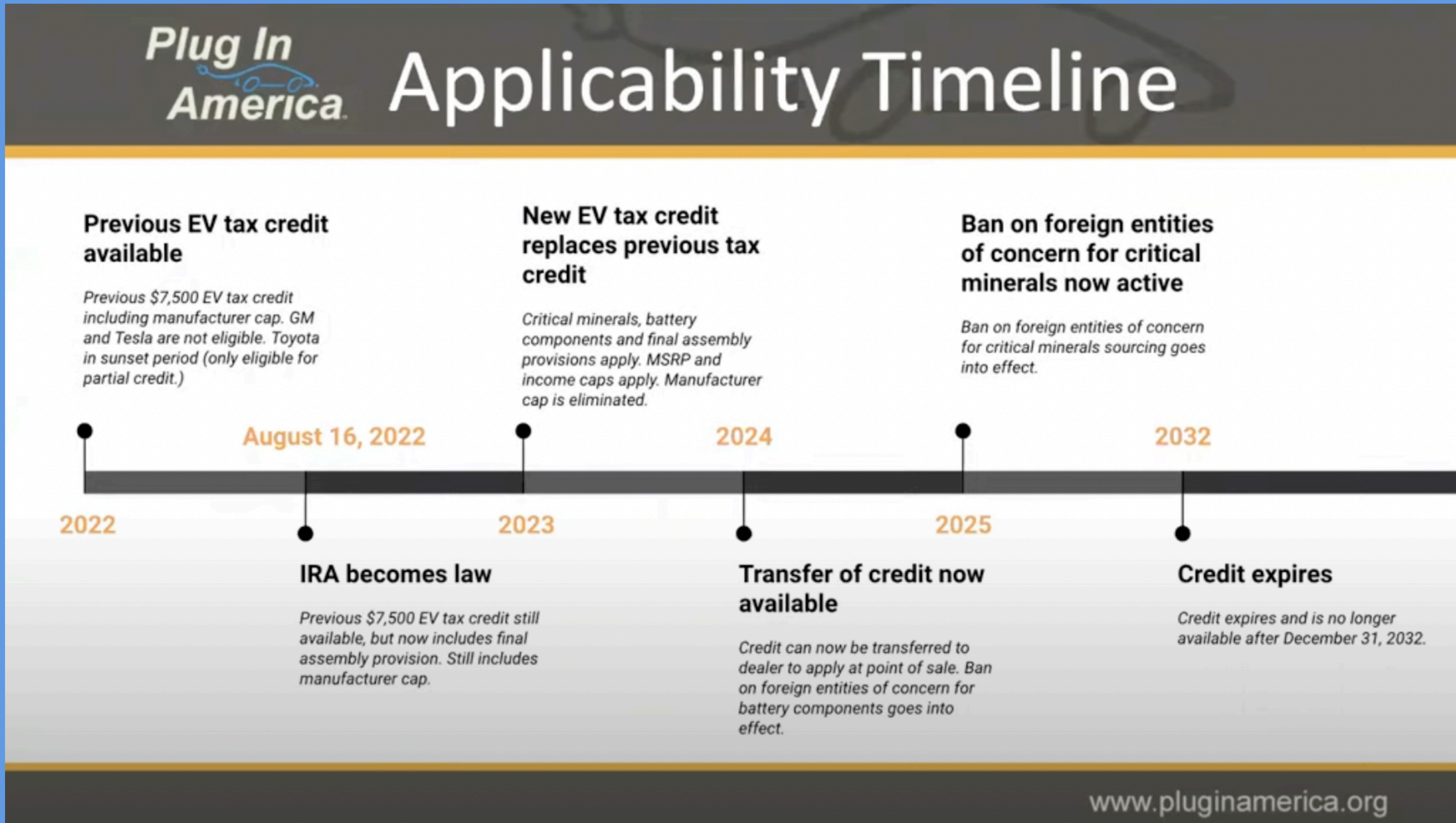


Transition Period for 2023

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

Plug In America Used EV Tax Credit

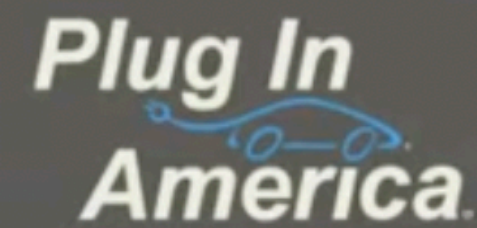
Vehicle Requirements	Income Caps	Credit Amount
<ul style="list-style-type: none">• Vehicle must be at least 2 years old• Under \$25,000• Sold by a dealer• No additional sourcing requirements (eg. critical minerals, battery components, final assembly)	<p>Eligible consumers must fall at or below the income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

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NOTE: Foreign entry of concern, country of assembly and battery sourcing/assembly does not apply for Used vehicles.

Looking Into Electric Cars Federal EV Charger Credit

Session 6: Misc & Alphabet Soup



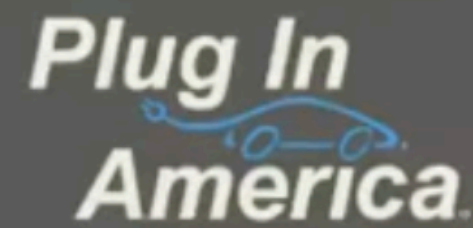
EVSE/EV Charger Credit

- 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

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NOTE: Change on Dec 31, 2022.

For Individuals no charger credit unless Low-Income Community or non-Urban area.



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

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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*

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The Consumer Reports link is too old and of little to no use.

Links that are still useful are included on the Illinois Rebate PDF.

Looking Into Electric Cars

Federal IRA EV info

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Change for 2024

No minerals or parts allowed - 0%

If you want to watch this - the web link is below.
<https://www.youtube.com/watch?v=zMz3ZtTvVFs>

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:

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

The phasing in of the minerals and battery components was not in the Plug In America presentation. Added from a different source.

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:

Year	Battery components minimum percent value requirement
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 not in the Plug In America presentation. Added from a different source.

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Attention: Not every version of the models listed below will necessarily qualify. Please check with the dealer/seller to determine the eligibility of your specific vehicle.

Make	Model	Model Year	Vehicle Type	Credit Amount	MSRP Limit	Eligibility
------	-------	------------	--------------	---------------	------------	-------------

Chevrolet

	Bolt EUV	2022–2023	EV	\$7,500	\$55,000	Check w/ dealer
	Bolt EV	2022–2023	EV	\$7,500	\$55,000	Check w/ dealer

Rivian

	R1S Dual Large	2023–2024	EV	\$3,750	\$80,000	Check w/ dealer
	R1S Quad Large	2023–2024	EV	\$3,750	\$80,000	Check w/ dealer
	R1T Dual Large	2023–2024	EV	\$3,750	\$80,000	Check w/ dealer
	R1T Dual Max	2023–2024	EV	\$3,750	\$80,000	Check w/ dealer
	R1T Quad Large	2023–2024	EV	\$3,750	\$80,000	Check w/ dealer






Attention: Not every version of the models listed below will necessarily qualify. Please check with the dealer/seller to determine the eligibility of your specific vehicle.

Make	Model	Model Year	Vehicle Type	Credit Amount	MSRP Limit	Eligibility
------	-------	------------	--------------	---------------	------------	-------------

Ford

	F-150 Lightning (Extended Range Battery)	2022–2024	EV	\$7,500	\$80,000	Check w/ dealer
	F-150 Lightning (Standard Range Battery)	2022–2024	EV	\$7,500	\$80,000	Check w/ dealer

Tesla

	Model 3 Performance	2023–2024	EV	\$7,500	\$55,000	Check w/ dealer
	Model X Long Range	2023–2024	EV	\$7,500	\$80,000	Check w/ dealer
	Model Y All-Wheel Drive	2023–2024	EV	\$7,500	\$80,000	Check w/ dealer
	Model Y Performance	2023–2024	EV	\$7,500	\$80,000	Check w/ dealer
	Model Y Rear-Wheel Drive	2024	EV	\$7,500	\$80,000	Check w/ dealer

This list is quite short - a lot of Manufactureres have not submitted the paperwork yet. Also - its all about the batteries. Some models might be using up stock of now longer qualifying batteries - so VIN counts.

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New EV Tax Credit

- ❑ Go to 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



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Since the lists change - and continue to change go to fed website and search for specific models - Also some dealers/manufacturers may have reduced the MSRP to be competitive.

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Elective pay makes certain clean energy tax credits and the CHIPs manufacturing credit effectively refundable (see [Elective Pay and Transferability Frequently Asked Questions](#)). The entity can receive the full value of the credit because the IRS treats the elective payment amount as a tax payment. We then count it as overpayment on the return and refund it to the entity.

The dealer must be registered with IRS Energy Credits and the buyer must get the full amount of the credit one way or another.

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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.**



The dealer must be registered with IRS Energy Credits and the buyer must get the full amount of the credit one way or another. (Cash or down payment) An individual can do this twice in one year.

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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.**



The buyer **MUST** receive copy of the form from the dealer. **AND** file a tax return for the tax year the vehicle was purchased. If the buyer doesn't qualify for all or part of the tax credit by exceeding the income limits the buyer must return that portion to the IRS. No penalties - just return the money (consider it a free loan?)

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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.**



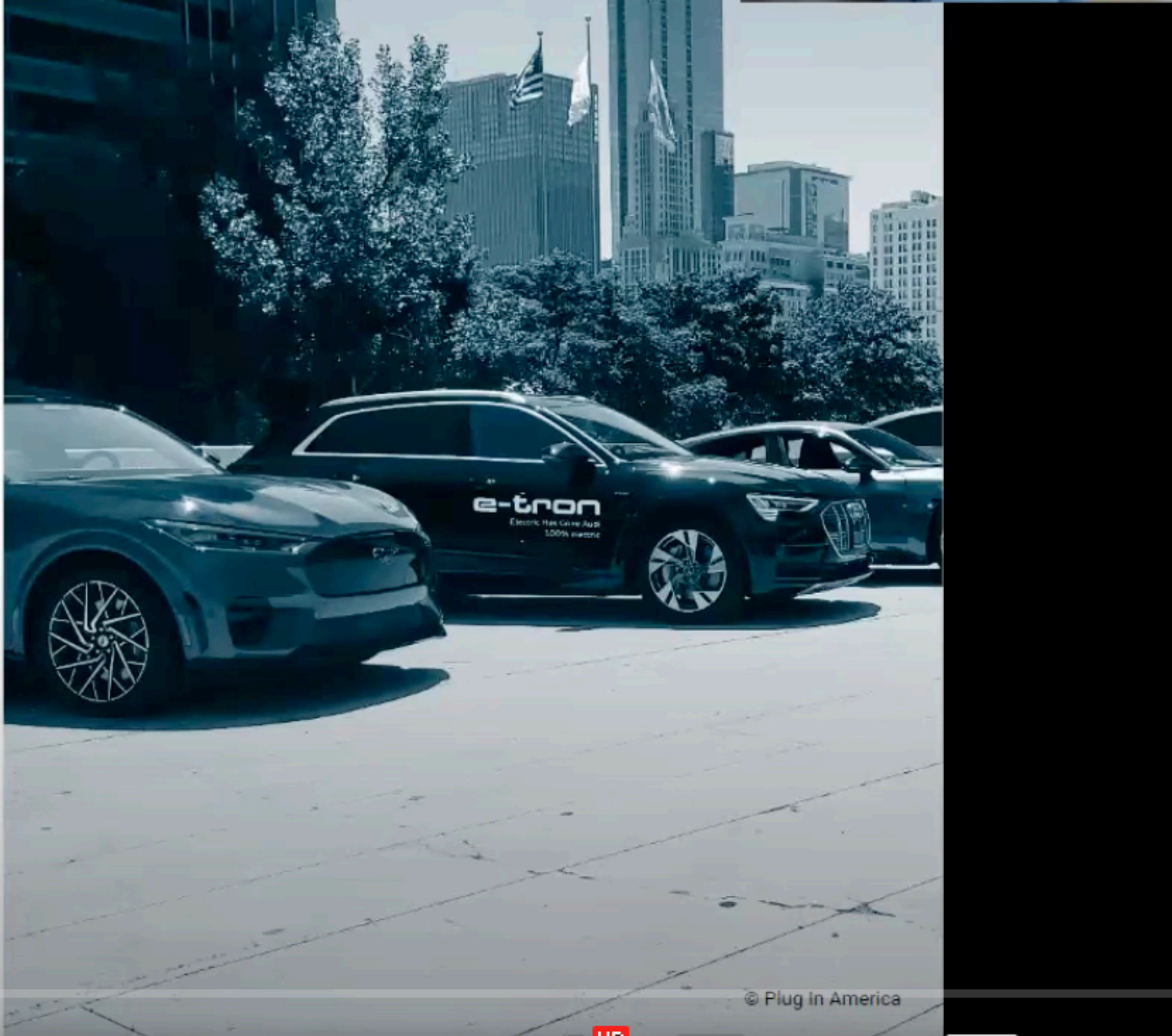
Important !!! If the buyer doesn't qualify for all or part of the tax credit by **EXCEEDING THE INCOME LIMITS** the buyer must return that portion to the IRS. The part of tax credit is only up to the amount of tax liability no longer applies if you transfer credit to the dealer.

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YouTube Home 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.



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The \$25,000 must include price of car plus any delivery charges and (minus) dealer incentives. (Not taxes and/or fees)

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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



Like a new vehicle must get paperwork from dealer AND file a return for that tax year.

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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.



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Leases are NOT obligated to pass the value of the tax credit to the leases. (with the tax credit EV leases in 2023 went from 8% to 52%)

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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.



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I personally have not done the math regarding “cost of ownership” between owning and leasing. I have always owned. For some models that might be worth considering.

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YouTube Home

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.
- 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.



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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.



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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



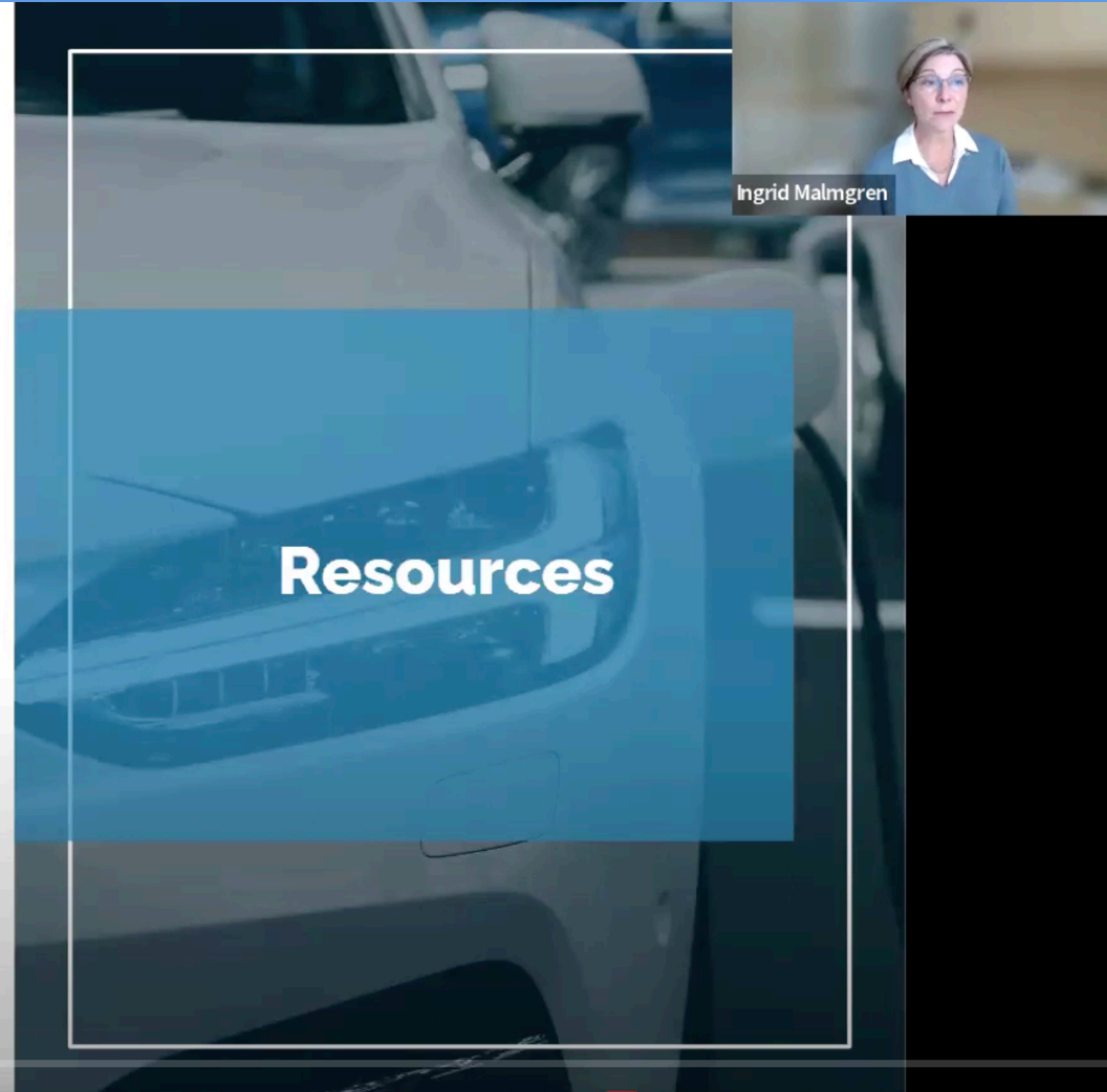
Our online EV shopping tool not only flags vehicles for federal tax credits, it will also identify eligible state and utility incentives.

EV Support Program

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

1-877-EV-HELP

SUPPORT@PLUGINAMERICA.ORG

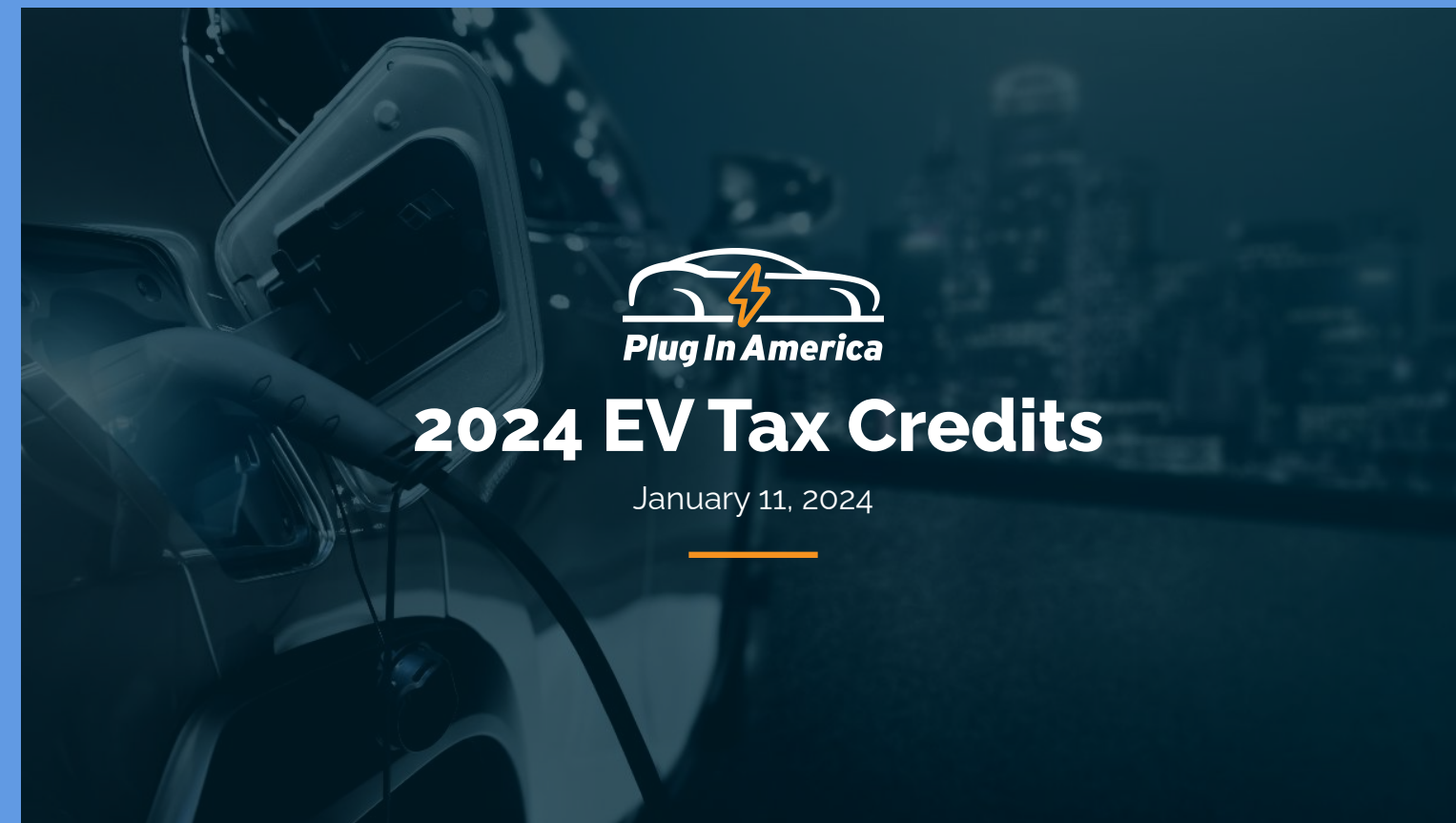


Ingrid Malmgren

Resources

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