

Summary: Section 30D - Clean Vehicle Credit

Max Tax Credit Amount	\$7,500 for new clean vehicles (BEV, FCEV, and PHEV) + a Gross-up of 6.0445% starting FY2023
Taxpayer Criteria	Adjusted Gross Income Limits for new clean vehicle buyers to be eligible for the credit, starting Jan. 1, 2023: <ul style="list-style-type: none"> • \$150,000 for single filing, • \$225,000 for head-of-household, • \$300,000 for joint filing.
Taxpayer Options for Claiming / Receiving Credit:	Clean Vehicle Credit may be either: <ul style="list-style-type: none"> • Claimed by the buyer on that year's tax returns when filed; or • Starting Jan. 1, 2024, credit may be transferred to dealer in exchange for a price reduction or cash rebate equal to the credit amount
Vehicle Eligibility Criteria	North American final assembly required (as indicated by the VIN) Minimum battery requirement: 7 kWh MSRP Limits based on Vehicle Classification: <ul style="list-style-type: none"> • Vehicle classifications based on criteria from 40 CFR § 600.002 [which itself cites 49 CFR § 523.5 for the definition of a non-passenger automobile.] • Reported MSRP value must include the sum of both: <ul style="list-style-type: none"> • The retail price of the vehicle as described in 15 U.S.C. 1232(f)(1), and • The retail price for all optional equipment physically attached to the vehicle when delivered. • MSRP Limits for vehicles classified as: <ul style="list-style-type: none"> • <i>Pickup Trucks, SUVs, Vans:</i> \$80,000 • <i>Other vehicle types:</i> \$55,000 Criteria that excludes a vehicle from credit eligibility: <ul style="list-style-type: none"> • <u>Starting Jan. 1, 2024: If any of the battery components used were manufactured or assembled by a foreign entity of concern [To be defined by Dept. of Treasury before end of CY2023]</u> • <u>Starting Jan. 1, 2025: If any of the critical minerals were extracted, processed, or recycled in a foreign entity of concern [To be defined by Dept. of Treasury before end of CY2023]</u>
Critical Mineral Criteria <i>(Goes into effect April 18th, 2023)</i>	\$3,750 credit claimable if critical mineral criteria is met when vehicle is placed into service[†] by the buyer: <ul style="list-style-type: none"> ❖ The critical materials, as defined in 45X(c)(6), in the vehicle's battery that were extracted, or processed into "constituent materials" in the U.S., or a country with an FTA in effect with the U.S., or recycled in North America must account for a minimum percent by value: <ul style="list-style-type: none"> • <i>Starting April 18th until Dec. 31, 2023: ≥40%, CY 2024: ≥50%, CY 2025: ≥60%, CY 2026: ≥70%, CY 2027 and onward: ≥80%</i> ❖ Constituent materials are defined as materials containing critical minerals and are used to directly manufacture battery components. <ul style="list-style-type: none"> • <u>Constituent materials include:</u> cathode and anode active materials (CAM/AAM), foils, metals for solid electrodes, binders, electrolyte salts, electrolyte additives.
Battery Components Criteria <i>(Goes into effect April 18th, 2023)</i>	\$3,750 credit claimable if battery components criteria is met when vehicle is placed into service[†] by the buyer: <ul style="list-style-type: none"> ❖ Vehicle's battery contains components manufactured or assembled in North America that account for a minimum percent of the battery's total component value: <ul style="list-style-type: none"> • <i>Starting April 18th until Dec. 31, 2023: ≥50%, CY 2024 through CY2025: ≥60%, CY 2026: ≥70% CY 2027: ≥80%, CY 2028: ≥90%, CY 2029 and onward: 100%</i> ❖ Battery components are defined as components of a battery that are manufactured or assembled from one or more components or constituent materials. <ul style="list-style-type: none"> • <u>Battery components include:</u> cathode electrode, anode electrode, solid metal electrode, separator, liquid electrolyte, solid state electrolyte, battery cell, battery module, and any piece of the assembled battery cell that contributes to electrochemical energy storage.
Phase-Out Conditions	Clean Vehicle Credit program ends Dec. 31, 2032

[†]"Placed in service" defined by IRS as the moment when the purchaser of a vehicle's begins using it for their own purposes, **not when the vehicle is purchased**