

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
 Washington, D.C. 20549  
**FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34756

**Tesla, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**91-2197729**

(I.R.S. Employer  
Identification No.)

**13101 Tesla Road**

**Austin, Texas**

(Address of principal executive offices)

**78725**

(Zip Code)

**(512) 516-8177**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	TSLA	The Nasdaq Global Select Market

**Securities registered pursuant to Section 12(g) of the Act:**

**None**

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
 Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐  
 No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐  
No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant, as of June 30, 2021, the last day of the registrant's most recently completed second fiscal quarter, was \$541.28 billion (based on the closing price for shares of the registrant's Common Stock as reported by the NASDAQ Global Select Market on June 30, 2021). Shares of Common Stock held by each executive officer, director, and holder of 5% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of January 31, 2022, there were 1,033,507,611 shares of the registrant's common stock outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement for the 2022 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2021.

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## TESLA, INC.

## ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2021

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**Forward-Looking Statements**

*The discussions in this Annual Report on Form 10-K contain forward-looking statements reflecting our current expectations that involve risks and uncertainties. These forward-looking statements include, but are not limited to, statements concerning any potential future impact of the coronavirus disease ("COVID-19") pandemic on our business, supply chain constraints, our strategy, competition, future operations and production capacity, future financial position, future revenues, projected costs, profitability, expected cost reductions, capital adequacy, expectations regarding demand and acceptance for our technologies, growth opportunities and trends in the market in which we operate, prospects and plans and objectives of management. The words "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission (the "SEC"). We do not assume any obligation to update any forward-looking statements.*

## PART I

### ITEM 1. BUSINESS

#### Overview

We design, develop, manufacture, sell and lease high-performance fully electric vehicles and energy generation and storage systems, and offer services related to our products. We generally sell our products directly to customers, including through our website and retail locations. We also continue to grow our customer-facing infrastructure through a global network of vehicle service centers, Mobile Service technicians, body shops, Supercharger stations and Destination Chargers to accelerate the widespread adoption of our products. We emphasize performance, attractive styling and the safety of our users and workforce in the design and manufacture of our products and are continuing to develop full self-driving technology for improved safety. We also strive to lower the cost of ownership for our customers through continuous efforts to reduce manufacturing costs and by offering financial and other services tailored to our products. Our mission to accelerate the world's transition to sustainable energy, engineering expertise, vertically integrated business model and focus on user experience differentiate us from other companies.

#### Segment Information

We operate as two reportable segments: (i) automotive and (ii) energy generation and storage.

The automotive segment includes the design, development, manufacturing, sales and leasing of electric vehicles as well as sales of automotive regulatory credits. Additionally, the automotive segment is also comprised of services and other, which includes non-warranty after-sales vehicle services, sales of used vehicles, retail merchandise, sales by our acquired subsidiaries to third party customers and vehicle insurance revenue. The energy generation and storage segment includes the design, manufacture, installation, sales and leasing of solar energy generation and energy storage products and related services and sales of solar energy systems incentives.

#### Our Products and Services

##### **Automotive**

###### ***Model 3***

Model 3 is a four-door mid-size sedan that we designed for manufacturability with a base price for mass-market appeal. We currently manufacture Model 3 at the Fremont Factory and at Gigafactory Shanghai.

###### ***Model Y***

Model Y is a compact sport utility vehicle ("SUV") built on the Model 3 platform with seating for up to seven adults. We currently manufacture Model Y at the Fremont Factory and at Gigafactory Shanghai.

###### ***Model S and Model X***

Model S is a four-door full-size sedan and Model X is a mid-size SUV with seating for up to seven adults. Model S and Model X feature the highest performance characteristics and longest ranges that we offer in a sedan and SUV, respectively, and we manufacture both models at the Fremont Factory. In 2021, we began delivering new versions of the Model S and Model X, which offer higher performance and range.

###### ***Future Consumer and Commercial Electric Vehicles***

We have also announced several planned electric vehicles to address additional vehicle markets, including specialized consumer electric vehicles in Cybertruck and the new Tesla Roadster and a commercial electric vehicle in Tesla Semi. We plan to continue leveraging developments in our proprietary Full Self-Driving ("FSD"), battery cell and other technologies.

##### **Energy Generation and Storage**

###### ***Energy Storage Products***

Powerwall and Megapack are our lithium-ion battery energy storage products. Powerwall is designed to store energy at a home or small commercial facility. Megapack is an energy storage solution for commercial, industrial, utility and energy generation customers, multiple of which may be grouped together to form larger installations of gigawatt hours ("GWh") or greater capacity.

We also continue to develop software capabilities for remotely controlling and dispatching our energy storage systems across a wide range of markets and applications, including through our real-time energy control and optimization platforms.

### ***Solar Energy Offerings***

We sell retrofit solar energy systems to customers and channel partners and also make them available through power purchase agreement (“PPA”) arrangements. We purchase most of the components for our retrofit solar energy systems from multiple sources to ensure competitive pricing and adequate supply. We also design and manufacture certain components for our solar energy products.

We sell our Solar Roof, which combines premium glass roof tiles with energy generation, directly to customers, as well as through channel customers. We continue to improve our installation capability and efficiency, including through collaboration with real estate developers and builders on new homes.

## **Technology**

### **Automotive**

#### ***Battery and Powertrain***

Our core vehicle technology competencies include powertrain engineering and manufacturing and our ability to design vehicles that utilize the unique advantages of an electric powertrain. We have designed our proprietary powertrain systems to be adaptable, efficient, reliable and cost-effective while withstanding the rigors of an automotive environment. We offer dual motor powertrain vehicles, which use two electric motors to maximize traction and performance in an all-wheel drive configuration, as well as vehicle powertrain technology featuring three electric motors for further increased performance in certain versions of Model S and Model X.

Among other things, we maintain extensive testing and R&D capabilities for battery cells, packs and systems, and have built an expansive body of knowledge on lithium-ion cell chemistry types and performance characteristics. In order to enable a greater supply of cells for our products with higher energy density at lower costs, we are currently using our expertise to develop a new proprietary lithium-ion battery cell and improved manufacturing processes.

#### ***Vehicle Control and Infotainment Software***

The performance and safety systems of our vehicles and their battery packs require sophisticated control software. Control systems in our vehicles optimize performance, customize vehicle behavior, manage charging and control all infotainment functions. We develop almost all of this software, including most of the user interfaces, internally and update our vehicles’ software regularly through over-the-air updates.

#### ***Self-Driving Development***

We have expertise in developing technologies, systems and software to enable self-driving vehicles using primarily vision-based sensors. Our FSD Computer runs our neural networks in our vehicles, and we are also developing additional computer hardware to better enable the massive amounts of field data captured by our vehicles to continually train and improve these neural networks for real-world performance.

Currently, we offer in our vehicles certain advanced driver assist systems under our Autopilot and FSD options. Although at present the driver is ultimately responsible for controlling the vehicle, our systems provide safety and convenience functionality that relieves drivers of the most tedious and potentially dangerous aspects of road travel much like the system that airplane pilots use, when conditions permit. As with other vehicle systems, we improve these functions in our vehicles over time through over-the-air updates.

We intend to establish in the future an autonomous Tesla ride-hailing network, which we expect would also allow us to access a new customer base even as modes of transportation evolve.

## **Energy Generation and Storage**

### ***Energy Storage Products***

We leverage many of the component-level technologies from our vehicles in our energy storage products. By taking a modular approach to the design of battery systems, we can optimize manufacturing capacity of our energy storage products. Additionally, our expertise in power electronics enables our battery systems to interconnect with electricity grids while providing fast-acting systems for power injection and absorption. We have also developed software to remotely control and dispatch our energy storage systems.

### ***Solar Energy Systems***

We have engineered Solar Roof over numerous iterations to combine aesthetic appeal and durability with power generation. The efficiency of our solar energy products is aided by our own solar inverter, which also incorporates our power electronics technologies. We designed both products to integrate with Powerwall.

## **Design and Engineering**

### **Automotive**

We have established significant in-house capabilities in the design and test engineering of electric vehicles and their components and systems. Our team has core competencies in computer aided design as well as durability, strength and crash test simulations, which reduces the product development time of new models. Additionally, our team has expertise in selecting and working with a range of materials for our vehicles to balance performance, cost and durability in ways that are best suited for our vehicles' target demographics and utility. We have also used our capabilities to achieve complex engineering feats in stamping, casting and thermal systems, and are currently developing designs that integrate batteries directly with vehicle body structures without separate battery packs to optimize manufacturability, weight, range and cost characteristics.

We are also expanding our manufacturing operations globally while taking action to localize our vehicle designs and production for particular markets, including country-specific market demands and factory optimizations for local workforces. As we increase our capabilities, particularly in the areas of automation, die-making and line-building, we are also making strides in the simulations modeling these capabilities prior to construction.

### **Energy Generation and Storage**

Our expertise in electrical, mechanical, civil and software engineering allows us to design and manufacture our energy generation and storage products and components. We also employ our design and engineering expertise to customize solutions including our energy storage products, solar energy systems and/or Solar Roof for customers to meet their specific needs. We have developed software that simplifies and expedites the design process, as well as mounting hardware that facilitates solar panel installation.

## **Sales and Marketing**

Historically, we have been able to generate significant media coverage of our company and our products, and we believe we will continue to do so. Such media coverage and word of mouth are the current primary drivers of our sales leads and have helped us achieve sales without traditional advertising and at relatively low marketing costs.

### **Automotive**

#### ***Direct Sales***

Our vehicle sales channels currently include our website and an international network of company-owned stores. In some jurisdictions, we also have galleries to educate and inform customers about our products, but such locations do not actually transact in the sale of vehicles. We believe this infrastructure enables us to better control costs of inventory, manage warranty service and pricing, educate consumers about electric vehicles, maintain and strengthen the Tesla brand and obtain rapid customer feedback.

We reevaluate our sales strategy both globally and at a location-by-location level from time to time to optimize our current sales channels. Sales of vehicles in the automobile industry tend to be cyclical in many markets, which may expose us to volatility from time to time.

#### ***Used Vehicle Sales***

Our used vehicle business supports new vehicle sales by integrating the trade-in of a customer's existing Tesla or non-Tesla vehicle with the sale of a new or used Tesla vehicle. The Tesla and non-Tesla vehicles we acquire as trade-ins are subsequently remarketed, either directly by us or through third parties. We also remarket used Tesla vehicles acquired from other sources including lease returns.

#### ***Public Charging***

We have a growing global network of Tesla Superchargers, which are our industrial grade, high-speed vehicle chargers. Where possible, we co-locate Superchargers with our solar and energy storage systems to reduce costs and promote renewable power. Supercharger stations are typically placed along well-traveled routes and in and around dense city centers to allow vehicle owners the ability to enjoy quick, reliable and ubiquitous charging with convenient, minimal stops. Use of the Supercharger network either requires payment of a fee or is free under certain sales programs.

We also work with a wide variety of hospitality, retail and public destinations, as well as businesses with commuting employees, to offer additional charging options for our customers. These Destination Charging and workplace locations deploy Tesla Wall Connectors to provide charging to Tesla vehicle owners who patronize or are employed at their businesses. We also work with single-family homeowners and multi-family residential entities to deploy home charging solutions.

### ***In-App Upgrades***

As our vehicles are capable of being updated remotely over-the-air, our customers may purchase additional paid options and features through the Tesla app or through the in-vehicle user interface. We expect that this functionality will also allow us to offer certain options and features on a subscription basis in the future.

### **Energy Generation and Storage**

We market and sell our solar and energy storage products to residential, commercial and industrial customers and utilities through a variety of channels. We emphasize simplicity, standardization and accessibility to make it easy and cost-effective for customers to adopt clean energy, while reducing our customer acquisition costs.

In the U.S., we offer residential solar and energy storage products directly through our website, stores and galleries, as well as through our network of channel partners. Outside of the U.S., we use our international sales organization and a network of channel partners to market and sell these products for the residential market. We also sell Powerwall directly to utilities. In the case of products sold to utilities or channel partners, such partners typically sell the product to residential customers and manage the installation in customer homes.

We sell our commercial and utility-scale energy storage systems to customers through our U.S. and international sales organization and our channel partner network. In certain jurisdictions, we also sell installed solar energy systems (with or without energy storage) to commercial customers through PPA transactions.

### **Service and Warranty**

#### **Automotive**

##### ***Service***

We provide service for our electric vehicles at our company-owned service locations and through Tesla Mobile Service technicians who perform work remotely at customers' homes or other locations. Performing vehicle service ourselves provides us with the capability to identify problems and implement solutions and improvements faster, and optimize logistics and inventory better, than traditional automobile manufacturers and their dealer networks. The connectivity of our vehicles also allows us to diagnose and remedy many problems remotely and proactively.

##### ***Vehicle Limited Warranties and Extended Service Plans***

We provide a manufacturer's limited warranty on all new and used Tesla vehicles we sell, which may include separate limited warranties on certain components, specific types of damage or battery capacity retention. We also currently offer extended service plans that provide coverage beyond the new vehicle limited warranties for certain models in specified regions.

### **Energy Generation and Storage**

We provide service and repairs to our energy product customers, including under warranty where applicable. We generally provide manufacturer's limited warranties with our energy storage product and offer certain extended limited warranties that are available at the time of purchase of the system. If we install a system, we also provide certain limited warranties on our installation workmanship. As part of our energy storage system contracts, we may provide the customer with performance guarantees that commit that the underlying system will meet or exceed the minimum energy performance requirements specified in the contract.

For retrofit solar energy systems, we provide separate limited warranties for workmanship and against roof leaks, and for Solar Roof, we also provide limited warranties for defects and weatherization. For components not manufactured by us, we generally pass-through the applicable manufacturers' warranties. As part of our solar energy system contracts, we may provide the customer with performance guarantees that commit that the underlying system will meet or exceed the minimum energy generation requirements specified in the contract.

### **Financial Services**

#### **Automotive**

##### ***Purchase Financing and Leases***

We offer leasing and/or loan financing arrangements for our vehicles in certain jurisdictions in North America, Europe and Asia ourselves and through various financial institutions. Under certain of such programs, we have provided resale value guarantees or buyback guarantees that may obligate us to repurchase the subject vehicles at pre-determined values.



## ***Insurance***

In August 2019, we launched an insurance product designed for our customers in California. In 2021, we launched our insurance product using real-time driving behavior in select states, which offers rates that are often better than other alternatives and promotes safer driving. Our insurance products are currently available in Arizona, California, Illinois, Ohio and Texas and we plan to expand the markets in which we offer insurance products, as part of our ongoing effort to decrease the total cost of ownership for our customers.

## **Energy Generation and Storage**

We currently offer certain loan and PPA options to residential or commercial customers who pair energy storage systems with solar energy systems. We offer certain financing options to our solar customers, which enable the customer to purchase and own a solar energy system, Solar Roof or integrated solar and Powerwall system. Our solar PPAs, offered to commercial customers, charges a fee per kilowatt-hour based on the amount of electricity produced by our solar energy systems.

## **Manufacturing**

### **Manufacturing Facilities in the Bay Area, California**

We manufacture and test our vehicles at our manufacturing facilities in the Bay Area in California, including the Fremont Factory and other local manufacturing facilities. We also manufacture and develop certain parts and components that are critical to our intellectual property and quality standards, such as Model S and Model X battery packs and our proprietary lithium-ion battery cells, at these locations.

### **Gigafactory Nevada near Reno, Nevada**

Our battery material, cell, module and battery pack production for Model 3, Model Y and our energy products are manufactured in one location at Gigafactory Nevada. In addition, we manufacture vehicle drive units and energy storage components there. Gigafactory Nevada allows us to access high volumes of lithium-ion battery cells manufactured by our partner Panasonic there while achieving a significant reduction in the cost of our battery packs. We continue to invest in Gigafactory Nevada to achieve additional output there.

### **Gigafactory New York in Buffalo, New York**

We use Gigafactory New York for the development and production of our Solar Roof and other solar products and components, energy storage components and Supercharger components and for other functions.

### **Gigafactory Shanghai in China**

We established Gigafactory Shanghai to increase the affordability of our vehicles for customers in local markets by reducing transportation and manufacturing costs and eliminating the impact of unfavorable tariffs. We continue to increase the degree of localized procurement and manufacturing there. Gigafactory Shanghai is representative of our plan to iteratively improve our manufacturing operations as we establish new factories, as we implemented the learnings from our Model 3 and Model Y ramp at the Fremont Factory to commence and ramp our production at Gigafactory Shanghai quickly and cost-effectively.

### **Other Manufacturing**

Generally, we continue to expand production capacity at our existing facilities. We also intend to further increase cost-competitiveness in our significant markets by strategically adding local manufacturing, including at Gigafactory Berlin in Germany and Gigafactory Texas in Austin, Texas, which will begin production in 2022.

### **Supply Chain**

Our products use thousands of purchased parts that are sourced from hundreds of suppliers across the world. We have developed close relationships with vendors of key parts such as battery cells, electronics and complex vehicle assemblies. Certain components purchased from these suppliers are shared or are similar across many product lines, allowing us to take advantage of pricing efficiencies from economies of scale.

As is the case for most automotive companies, most of our procured components and systems are sourced from single suppliers. Where multiple sources are available for certain key components, we work to qualify multiple suppliers for them where it is sensible to do so in order to minimize production risks owing to disruptions in their supply. We also mitigate risk by maintaining safety stock for key parts and assemblies and die banks for components with lengthy procurement lead times.

Our products use various raw materials including aluminum, steel, cobalt, lithium, nickel and copper. Pricing for these materials is governed by market conditions and may fluctuate due to various factors outside of our control, such as supply and demand and market speculation. We strive to execute long-term supply contracts for such materials at competitive pricing when feasible, and we currently believe that we have adequate access to raw materials supplies in order to meet the needs of our operations.

### **Governmental Programs, Incentives and Regulations**

Globally, both the operation of our business by us and the ownership of our products by our customers are impacted by various government programs, incentives and other arrangements. Our business and products are also subject to numerous governmental regulations that vary among jurisdictions.

#### **Programs and Incentives**

##### ***California Alternative Energy and Advanced Transportation Financing Authority Tax Incentives***

We have agreements with the California Alternative Energy and Advanced Transportation Financing Authority that provide multi-year sales tax exclusions on purchases of manufacturing equipment that will be used for specific purposes, including the expansion and ongoing development of electric vehicles and powertrain production in California, thus reducing our cost basis in the related assets in our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

##### ***Gigafactory Nevada—Nevada Tax Incentives***

In connection with the construction of Gigafactory Nevada, we entered into agreements with the State of Nevada and Storey County in Nevada that provide abatements for specified taxes, discounts to the base tariff energy rates and transferable tax credits in consideration of capital investment and hiring targets that were met at Gigafactory Nevada. These incentives are available until June 2024 or June 2034, depending on the incentive and primarily offset related costs in our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

##### ***Gigafactory New York—New York State Investment and Lease***

We have a lease through the Research Foundation for the State University of New York (the “SUNY Foundation”) with respect to Gigafactory New York. Under the lease and a related research and development agreement, we are continuing to designate further buildouts at the facility. We are required to comply with certain covenants, including hiring and cumulative investment targets. This incentive offsets the related lease costs of the facility in our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

As we temporarily suspended most of our manufacturing operations at Gigafactory New York pursuant to a New York State executive order issued in March 2020 as a result of the COVID-19 pandemic, we were granted a deferral of our obligation to be compliant with our applicable targets through December 31, 2021 in an amendment memorialized in August 2021. As of December 31, 2021, we are in excess of such targets relating to investments and personnel in the State of New York and Buffalo.

##### ***Gigafactory Shanghai—Land Use Rights and Economic Benefits***

We have an agreement with the local government of Shanghai for land use rights at Gigafactory Shanghai. Under the terms of the arrangement, we are required to meet a cumulative capital expenditure target and an annual tax revenue target starting at the end of 2023. In addition, the Shanghai government has granted to our Gigafactory Shanghai subsidiary certain incentives to be used in connection with eligible capital investments at Gigafactory Shanghai. These incentives offset the related costs of our facilities in our consolidated financial statements included elsewhere in this Annual Report on Form 10-K. Finally, the Shanghai government granted a beneficial corporate income tax rate of 15% to certain eligible enterprises, which is lower than the 25% statutory corporate income tax rate in China. Our Gigafactory Shanghai subsidiary was granted this lower rate for 2019 through 2023. This lower tax rate reduces the income tax provision in our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

##### ***Gigafactory Texas – Tax Incentives***

In connection with the construction of Gigafactory Texas, we entered into a 20-year agreement with Travis County in Texas pursuant to which we would receive grant funding equal to 70-80% of property taxes paid by us to Travis County and a separate 10-year agreement with the Del Valle Independent School District in Texas pursuant to which a portion of the taxable value of our property would be capped at a specified amount, in each case subject to our meeting certain minimum economic development metrics through our construction and operations at Gigafactory Texas. These incentives will offset the related costs in our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.