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## Sec. 30D. Clean Vehicle Credit

Editor's Note: Pub. L. 117-169 amended Sec. 30D with a delayed effective dates as indicated below.

I.R.C. § 30D(a) Allowance of Credit —

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credit amounts determined under subsection (b) with respect to each new clean vehicle placed in service by the taxpayer during the taxable year.

I.R.C. § 30D(b) Per Vehicle Dollar Limitation —

I.R.C. § 30D(b)(1) In General —

The amount determined under this subsection with respect to any new clean vehicle is the sum of the amounts determined under paragraphs (2) and (3) with respect to such vehicle.

Editor's Note: Sec. 30D(b)(2), below, before being struck by Pub. L. 117-169, Sec. 13401(a), is effective for vehicles placed in service before proposed IRS guidance required by Sec. 30D(e)(3)(B) is issued (by December 31, 2022). See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(b)(2) Base Amount —

The amount determined under this paragraph is \$2,500.

Editor's Note: Sec. 30D(b)(2), below, as added by Pub. L. 117-169, Sec. 13401(a), is effective for vehicles placed in service after proposed IRS guidance required by Sec. 30D(e)(3)(B) is issued (by December 31, 2022). See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(b)(2) Critical Minerals —

In the case of a vehicle with respect to which the requirement described in subsection (e)(1)(A) is satisfied, the amount determined under this paragraph is \$3,750.

Editor's Note: Sec. 30D(b)(3), below, before being struck by Pub. L. 117-169, Sec. 13401(a), is effective for vehicles placed in service before proposed IRS guidance required by Sec. 30D(e)(3)(B) is issued (by December 31, 2022). See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(b)(3) Battery Capacity —

In the case of a vehicle which draws propulsion energy from a battery with not less than 5 kilowatt hours of capacity, the amount determined under this paragraph is \$417, plus \$417 for each kilowatt hour of capacity in excess of 5 kilowatt hours. The amount determined under this paragraph shall not exceed \$5,000.

Editor's Note: Sec. 30D(b)(3), below, as added by Pub. L. 117-169, Sec. 13401(a), is effective for vehicles placed in service after proposed IRS guidance required by Sec. 30D(e)(3)(B) is issued (by December 31, 2022). See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(b)(3) Battery Components —

In the case of a vehicle with respect to which the requirement described in subsection (e)(2)(A) is satisfied, the amount determined under this paragraph is \$3,750.

I.R.C. § 30D(c) Application With Other Credits

I.R.C. § 30D(c)(1) Business Credit Treated As Part Of General Business Credit —

So much of the credit which would be allowed under subsection (a) for any taxable year (determined without regard to this subsection) that is attributable to property of a character subject to an allowance for depreciation shall be treated as a credit listed in section 38(b) for such taxable year (and not allowed under subsection (a)).

I.R.C. § 30D(c)(2) Personal Credit —

For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year. Editor's Note: Sec. 30D(d), below, before amendment by Pub. L. 117-169, Sec. 13401(c), is effective for vehicles placed in service before January 1, 2023. See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(d) New Qualified Plug-In Electric Drive Motor Vehicle —

For purposes of this section—

I.R.C. § 30D(d)(1) In General —

The term “new qualified plug-in electric drive motor vehicle” means a motor vehicle—

I.R.C. § 30D(d)(1)(A) —

the original use of which commences with the taxpayer,

I.R.C. § 30D(d)(1)(B) —

which is acquired for use or lease by the taxpayer and not for resale,

I.R.C. § 30D(d)(1)(C) —

which is made by a manufacturer,

I.R.C. § 30D(d)(1)(D) —

which is treated as a motor vehicle for purposes of title II of the Clean Air Act,

I.R.C. § 30D(d)(1)(E) —

which has a gross vehicle weight rating of less than 14,000 pounds, and

I.R.C. § 30D(d)(1)(F) —

which is propelled to a significant extent by an electric motor which draws electricity from a battery which—

I.R.C. § 30D(d)(1)(F)(i) —

has a capacity of not less than 4 kilowatt hours, and

I.R.C. § 30D(d)(1)(F)(ii) —

is capable of being recharged from an external source of electricity.

I.R.C. § 30D(d)(2) Motor Vehicle —

The term “motor vehicle” means any vehicle which is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails) and which has at least 4 wheels.

I.R.C. § 30D(d)(3) Manufacturer —

The term “manufacturer” has the meaning given such term in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

I.R.C. § 30D(d)(4) Battery Capacity —

The term “capacity” means, with respect to any battery, the quantity of electricity which the battery is capable of storing, expressed in kilowatt hours, as measured from a 100 percent state of charge to a 0 percent state of charge.

Editor's Note: Sec. 30D(d), below, after amendment by Pub. L. 117-169, Sec. 13401(c), (g)(2)(A), is effective for vehicles placed in service after December 31, 2022. See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(d) New Clean Vehicle —

For purposes of this section—

I.R.C. § 30D(d)(1) In General —

The term “new clean vehicle” means a motor vehicle—

I.R.C. § 30D(d)(1)(A) —

the original use of which commences with the taxpayer,

I.R.C. § 30D(d)(1)(B) —

which is acquired for use or lease by the taxpayer and not for resale,

I.R.C. § 30D(d)(1)(C) —

which is made by a qualified manufacturer,

I.R.C. § 30D(d)(1)(D) —

which is treated as a motor vehicle for purposes of title II of the Clean Air Act,

I.R.C. § 30D(d)(1)(E) —

which has a gross vehicle weight rating of less than 14,000 pounds,

I.R.C. § 30D(d)(1)(F) —

which is propelled to a significant extent by an electric motor which draws electricity from a battery which—

I.R.C. § 30D(d)(1)(F)(i) —

has a capacity of not less than 7 kilowatt hours, and

I.R.C. § 30D(d)(1)(F)(ii) —

is capable of being recharged from an external source of electricity,

Editor's Note: Sec. 30D(d)(1)(G), below, as added by Pub. L. 117-169, Sec. 13401(b)(1), is effective for vehicles sold after August 16, 2022. See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(d)(1)(G) —

the final assembly of which occurs within North America, and

I.R.C. § 30D(d)(1)(H) —

for which the person who sells any vehicle to the taxpayer furnishes a report to the taxpayer and to the Secretary, at such time and in such manner as the Secretary shall provide, containing—

I.R.C. § 30D(d)(1)(H)(i) —

the name and taxpayer identification number of the taxpayer,

I.R.C. § 30D(d)(1)(H)(ii) —

the vehicle identification number of the vehicle, unless, in accordance with any applicable rules promulgated by the Secretary of Transportation, the vehicle is not assigned such a number,

I.R.C. § 30D(d)(1)(H)(iii) —

the battery capacity of the vehicle,

I.R.C. § 30D(d)(1)(H)(iv) —

verification that original use of the vehicle commences with the taxpayer,

I.R.C. § 30D(d)(1)(H)(v) —

the maximum credit under this section allowable to the taxpayer with respect to the vehicle, and

I.R.C. § 30D(d)(1)(H)(vi) —

in the case of a taxpayer who makes an election under subsection (g)(1), any amount described in subsection (g)(2)(C) which has been provided to such taxpayer.

I.R.C. § 30D(d)(2) Motor Vehicle —

The term “motor vehicle” means any vehicle which is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails) and which has at least 4 wheels.

I.R.C. § 30D(d)(3) Qualified Manufacturer —

The term “qualified manufacturer” means any manufacturer (within the meaning of the regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.)) which enters into a written agreement with the Secretary under which such manufacturer agrees to make periodic written reports to the Secretary (at such times and in such manner as the Secretary may provide) providing vehicle identification numbers and such other information related to each vehicle manufactured by such manufacturer as the Secretary may require.

I.R.C. § 30D(d)(4) Battery Capacity —

The term “capacity” means, with respect to any battery, the quantity of electricity which the battery is capable of storing, expressed in kilowatt hours, as measured from a 100 percent state of charge to a 0 percent state of charge.

Editor's Note: Sec. 30D(d)(5), below, as added by Pub. L. 117-169, Sec. 13401(b)(2), is effective for vehicles sold after August 16, 2022. See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(d)(5) Final Assembly —

For purposes of paragraph (1)(G), the term “final assembly” means the process by which a manufacturer produces a new clean vehicle at, or through the use of, a plant, factory, or other place from which the vehicle is delivered to a dealer or importer with all component parts necessary for the mechanical operation of the vehicle included with the vehicle, whether or not the component parts are permanently installed in or on the vehicle.

I.R.C. § 30D(d)(6) New Qualified Fuel Cell Motor Vehicle —

For purposes of this section, the term “new clean vehicle” shall include any new qualified fuel cell motor vehicle (as defined in section 30B(b)(3)) which meets the requirements under subparagraphs (G) and (H) of paragraph (1).

Editor's Note: Sec. 30D(d)(7), below, as added by Pub. L. 117-169, Sec. 13401(e)(2), is effective for vehicles placed in service after proposed IRS guidance required by Sec. 30D(e)(3)(B) is issued (by December 31, 2022). See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(d)(7) Excluded Entities —

For purposes of this section, the term “new clean vehicle” shall not include—

I.R.C. § 30D(d)(7)(A) —

any vehicle placed in service after December 31, 2024, with respect to which any of the applicable critical minerals contained in the battery of such vehicle (as described in subsection (e)(1)(A)) were extracted,

processed, or recycled by a foreign entity of concern (as defined in section 40207(a)(5) of the Infrastructure Investment and Jobs Act (42 U.S.C. 18741(a)(5))), or

I.R.C. § 30D(d)(7)(B) —

any vehicle placed in service after December 31, 2023, with respect to which any of the components contained in the battery of such vehicle (as described in subsection (e)(2)(A)) were manufactured or assembled by a foreign entity of concern (as so defined).

Editor's Note: Sec. 30D(e), below, before being struck by Pub. L. 117-169, Sec. 13401(d), is effective for vehicles sold before January 1, 2023. See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(e) Limitation On Number Of New Qualified Plug-In Electric Drive Motor Vehicles Eligible For Credit

I.R.C. § 30D(e)(1) In General —

In the case of a new qualified plug-in electric drive motor vehicle sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (a) shall be allowed.

I.R.C. § 30D(e)(2) Phaseout Period —

For purposes of this subsection, the phaseout period is the period beginning with the second calendar quarter following the calendar quarter which includes the first date on which the number of new qualified plug-in electric drive motor vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2009, is at least 200,000.

I.R.C. § 30D(e)(3) Applicable Percentage —

For purposes of paragraph (1), the applicable percentage is—

I.R.C. § 30D(e)(3)(A) —

50 percent for the first 2 calendar quarters of the phaseout period,

I.R.C. § 30D(e)(3)(B) —

25 percent for the 3d and 4th calendar quarters of the phaseout period, and

I.R.C. § 30D(e)(3)(C) —

0 percent for each calendar quarter thereafter.

I.R.C. § 30D(e)(4) Controlled Groups —

Rules similar to the rules of section 30B(f)(4) shall apply for purposes of this subsection.

Editor's Note: Sec. 30D(e), below, as added by Pub. L. 117-169, Sec. 13401(e)(1), is effective for vehicles placed in service after proposed IRS guidance required by Sec. 30D(e)(3)(B) is issued (by December 31, 2022). See Pub. L. 117-169, Sec. 13401(l), transition rule.

I.R.C. § 30D(e) Critical Mineral and Battery Component Requirements

I.R.C. § 30D(e)(1) Critical Minerals Requirement

I.R.C. § 30D(e)(1)(A) In General —

The requirement described in this subparagraph with respect to a vehicle is that, with respect to the battery from which the electric motor of such vehicle draws electricity, the percentage of the value of the applicable critical minerals (as defined in section 45X(c)(6)) contained in such battery that were—

I.R.C. § 30D(e)(1)(A)(i) —

extracted or processed—

I.R.C. § 30D(e)(1)(A)(i)(I) —

in the United States, or

I.R.C. § 30D(e)(1)(A)(i)(II) —

in any country with which the United States has a free trade agreement in effect, or

I.R.C. § 30D(e)(1)(A)(ii) —

recycled in North America,

is equal to or greater than the applicable percentage (as certified by the qualified manufacturer, in such form or manner as prescribed by the Secretary).

I.R.C. § 30D(e)(1)(B) Applicable Percentage —

For purposes of subparagraph (A), the applicable percentage shall be—

I.R.C. § 30D(e)(1)(B)(i) —

in the case of a vehicle placed in service after the date on which the proposed guidance described in paragraph (3)(B) is issued by the Secretary and before January 1, 2024, 40 percent,

I.R.C. § 30D(e)(1)(B)(ii) —

in the case of a vehicle placed in service during calendar year 2024, 50 percent,

I.R.C. § 30D(e)(1)(B)(iii) —

in the case of a vehicle placed in service during calendar year 2025, 60 percent,

I.R.C. § 30D(e)(1)(B)(iv) —

in the case of a vehicle placed in service during calendar year 2026, 70 percent, and

I.R.C. § 30D(e)(1)(B)(v) —

in the case of a vehicle placed in service after December 31, 2026, 80 percent.

I.R.C. § 30D(e)(2) Battery Components

I.R.C. § 30D(e)(2)(A) In General —

The requirement described in this subparagraph with respect to a vehicle is that, with respect to the battery from which the electric motor of such vehicle draws electricity, the percentage of the value of the components contained in such battery that were manufactured or assembled in North America is equal to or greater than the applicable percentage (as certified by the qualified manufacturer, in such form or manner as prescribed by the Secretary).

I.R.C. § 30D(e)(2)(B) Applicable Percentage —

For purposes of subparagraph (A), the applicable percentage shall be—

I.R.C. § 30D(e)(2)(B)(i) —

in the case of a vehicle placed in service after the date on which the proposed guidance described in paragraph (3)(B) is issued by the Secretary and before January 1, 2024, 50 percent,

I.R.C. § 30D(e)(2)(B)(ii) —

in the case of a vehicle placed in service during calendar year 2024 or 2025, 60 percent,

I.R.C. § 30D(e)(2)(B)(iii) —

in the case of a vehicle placed in service during calendar year 2026, 70 percent,

I.R.C. § 30D(e)(2)(B)(iv) —

in the case of a vehicle placed in service during calendar year 2027, 80 percent,

I.R.C. § 30D(e)(2)(B)(v) —

in the case of a vehicle placed in service during calendar year 2028, 90 percent,

I.R.C. § 30D(e)(2)(B)(vi) —

in the case of a vehicle placed in service after December 31, 2028, 100 percent.

I.R.C. § 30D(e)(3) Regulations and Guidance

I.R.C. § 30D(e)(3)(A) In General —

The Secretary shall issue such regulations or other guidance as the Secretary determines necessary to carry out the purposes of this subsection, including regulations or other guidance which provides for requirements for recordkeeping or information reporting for purposes of administering the requirements of this subsection.

I.R.C. § 30D(e)(3)(B) Deadline for Proposed Guidance —

Not later than December 31, 2022, the Secretary shall issue proposed guidance with respect to the requirements under this subsection.

I.R.C. § 30D(f) Special Rules —

I.R.C. § 30D(f)(1) Basis Reduction —

For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (c)).

I.R.C. § 30D(f)(2) No Double Benefit —

The amount of any deduction or other credit allowable under this chapter for a vehicle for which a credit is allowable under subsection (a) shall be reduced by the amount of credit allowed under such subsection for such vehicle (determined without regard to subsection (c)).

I.R.C. § 30D(f)(4) Property Used Outside United States Not Qualified —

No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

I.R.C. § 30D(f)(5) Recapture —

The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit.

I.R.C. § 30D(f)(6) Election Not To Take Credit —

No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

I.R.C. § 30D(f)(7) Interaction With Air Quality And Motor Vehicle Safety Standards —

A vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

I.R.C. § 30D(f)(7)(A) —

the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

I.R.C. § 30D(f)(7)(B) —

the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

Editor's Note: Sec. 30D(f)(8), below, as added by Pub. L. 117-169, Sec. 13401(f) (and amended by (g)(2)(B)), is effective for vehicles placed in service after December 31, 2022 (December 31, 2023, for (g)(2)(B) amendment). See Pub. L. 117-169, Sec. 13401(l), transition rule.

**I.R.C. § 30D(f)(8) One Credit Per Vehicle —**

In the case of any vehicle, the credit described in subsection (a) shall only be allowed once with respect to such vehicle, as determined based upon the vehicle identification number of such vehicle, including any vehicle with respect to which the taxpayer elects the application of subsection (g).

Editor's Note: Sec. 30D(f)(9), below, as added by Pub. L. 117-169, Sec. 13401(f), is effective for vehicles placed in service after December 31, 2022. See Pub. L. 117-169, Sec. 13401(l), transition rule.

**I.R.C. § 30D(f)(9) VIN Requirement —**

No credit shall be allowed under this section with respect to any vehicle unless the taxpayer includes the vehicle identification number of such vehicle on the return of tax for the taxable year.

Editor's Note: Sec. 30D(f)(10), below, as added by Pub. L. 117-169, Sec. 13401(f), is effective for vehicles placed in service after December 31, 2022. See Pub. L. 117-169, Sec. 13401(l), transition rule.

**I.R.C. § 30D(f)(10) Limitation Based On Modified Adjusted Gross Income**

**I.R.C. § 30D(f)(10)(A) In General —**

No credit shall be allowed under subsection (a) for any taxable year if—

**I.R.C. § 30D(f)(10)(A)(i) —**

the lesser of—

**I.R.C. § 30D(f)(10)(A)(i)(I) —**

the modified adjusted gross income of the taxpayer for such taxable year, or

**I.R.C. § 30D(f)(10)(A)(i)(II) —**

the modified adjusted gross income of the taxpayer for the preceding taxable year, exceeds

**I.R.C. § 30D(f)(10)(A)(ii) —**

the threshold amount.

**I.R.C. § 30D(f)(10)(B) Threshold Amount —**

For purposes of subparagraph (A)(ii), the threshold amount shall be—

**I.R.C. § 30D(f)(10)(B)(i) —**

in the case of a joint return or a surviving spouse (as defined in section 2(a)), \$300,000,

**I.R.C. § 30D(f)(10)(B)(ii) —**

in the case of a head of household (as defined in section 2(b)), \$225,000, and

**I.R.C. § 30D(f)(10)(B)(iii) —**

in the case of a taxpayer not described in clause (i) or (ii), \$150,000.

**I.R.C. § 30D(f)(10)(C) Modified Adjusted Gross Income —**

For purposes of this paragraph, the term “modified adjusted gross income” means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

Editor's Note: Sec. 30D(f)(11), below, as added by Pub. L. 117-169, Sec. 13401(f), is effective for vehicles placed in service after December 31, 2022. See Pub. L. 117-169, Sec. 13401(l), transition rule.

**I.R.C. § 30D(f)(11) Manufacturer's Suggested Retail Price Limitation**

**I.R.C. § 30D(f)(11)(A) In General —**

No credit shall be allowed under subsection (a) for a vehicle with a manufacturer's suggested retail price in excess of the applicable limitation.

**I.R.C. § 30D(f)(11)(B) Applicable Limitation —**

For purposes of subparagraph (A), the applicable limitation for each vehicle classification is as follows:

**I.R.C. § 30D(f)(11)(B)(i) Vans —**

In the case of a van, \$80,000.

**I.R.C. § 30D(f)(11)(B)(ii) Sport Utility Vehicles —**

In the case of a sport utility vehicle, \$80,000.

**I.R.C. § 30D(f)(11)(B)(iii) Pickup Trucks —**

In the case of a pickup truck, \$80,000.

**I.R.C. § 30D(f)(11)(B)(iv) Other —**

In the case of any other vehicle, \$55,000.

**I.R.C. § 30D(f)(11)(C) Regulations and Guidance —**

For purposes of this paragraph, the Secretary shall prescribe such regulations or other guidance as the Secretary determines necessary for determining vehicle classifications using criteria similar to that employed by the Environmental Protection Agency and the Department of the Energy to determine size and class of vehicles.

Editor's Note: Sec. 30D(g), below, before being struck by Pub. L. 117-169, Sec. 13401(g)(1), is effective for vehicles placed in service before January 1, 2024. See Pub. L. 117-169, Sec. 13401(l), transition rule.

#### I.R.C. § 30D(g) Credit Allowed For 2- And 3-Wheeled Plug-In Electric Vehicles

##### I.R.C. § 30D(g)(1) In General —

In the case of a qualified 2- or 3-wheeled plug-in electric vehicle—

##### I.R.C. § 30D(g)(1)(A) —

there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the applicable amount with respect to each such qualified 2- or 3-wheeled plug-in electric vehicle placed in service by the taxpayer during the taxable year, and

##### I.R.C. § 30D(g)(1)(B) —

the amount of the credit allowed under subparagraph (A) shall be treated as a credit allowed under subsection (a).

##### I.R.C. § 30D(g)(2) Applicable Amount —

For purposes of paragraph (1), the applicable amount is an amount equal to the lesser of—

##### I.R.C. § 30D(g)(2)(A) —

10 percent of the cost of the qualified 2- or 3-wheeled plug-in electric vehicle, or

##### I.R.C. § 30D(g)(2)(B) —

\$2,500.

##### I.R.C. § 30D(g)(3) Qualified 2- Or 3-Wheeled Plug-In Electric Vehicle —

The term “qualified 2- or 3-wheeled plug-in electric vehicle” means any vehicle which—

##### I.R.C. § 30D(g)(3)(A) —

has 2 or 3 wheels,

##### I.R.C. § 30D(g)(3)(B) —

meets the requirements of subparagraphs (A), (B), (C), (E), and (F) of subsection (d)(1) (determined by substituting “2.5 kilowatt hours” for “4 kilowatt hours” in subparagraph (F)(i)),

##### I.R.C. § 30D(g)(3)(C) —

is manufactured primarily for use on public streets, roads, and highways,

##### I.R.C. § 30D(g)(3)(D) —

is capable of achieving a speed of 45 miles per hour or greater, and

##### I.R.C. § 30D(g)(3)(E) —

is acquired—

##### I.R.C. § 30D(g)(3)(E)(i) —

after December 31, 2011, and before January 1, 2014, or

##### I.R.C. § 30D(g)(3)(E)(ii) —

in the case of a vehicle that has 2 wheels, after December 31, 2014, and before January 1, 2022.

Editor's Note: Sec. 30D(g), below, as added by Pub. L. 117-169, Sec. 13401(g)(1), is effective for vehicles placed in service after December 31, 2023. See Pub. L. 117-169, Sec. 13401(l), transition rule.

#### I.R.C. § 30D(g) Transfer of Credit

##### I.R.C. § 30D(g)(1) In General —

Subject to such regulations or other guidance as the Secretary determines necessary, if the taxpayer who acquires a new clean vehicle elects the application of this subsection with respect to such vehicle, the credit which would (but for this subsection) be allowed to such taxpayer with respect to such vehicle shall be allowed to the eligible entity specified in such election (and not to such taxpayer).

##### I.R.C. § 30D(g)(2) Eligible Entity —

For purposes of this subsection, the term “eligible entity” means, with respect to the vehicle for which the credit is allowed under subsection (a), the dealer which sold such vehicle to the taxpayer and has—

##### I.R.C. § 30D(g)(2)(A) —

subject to paragraph (4), registered with the Secretary for purposes of this paragraph, at such time, and in such form and manner, as the Secretary may prescribe,

##### I.R.C. § 30D(g)(2)(B) —

prior to the election described in paragraph (1) and not later than at the time of such sale, disclosed to the taxpayer purchasing such vehicle—

##### I.R.C. § 30D(g)(2)(B)(i) —

the manufacturer's suggested retail price,

##### I.R.C. § 30D(g)(2)(B)(ii) —

the value of the credit allowed and any other incentive available for the purchase of such vehicle, and

##### I.R.C. § 30D(g)(2)(B)(iii) —

the amount provided by the dealer to such taxpayer as a condition of the election described in paragraph (1),

I.R.C. § 30D(g)(2)(C) —

not later than at the time of such sale, made payment to such taxpayer (whether in cash or in the form of a partial payment or down payment for the purchase of such vehicle) in an amount equal to the credit otherwise allowable to such taxpayer, and

I.R.C. § 30D(g)(2)(D) —

with respect to any incentive otherwise available for the purchase of a vehicle for which a credit is allowed under this section, including any incentive in the form of a rebate or discount provided by the dealer or manufacturer, ensured that—

I.R.C. § 30D(g)(2)(D)(i) —

the availability or use of such incentive shall not limit the ability of a taxpayer to make an election described in paragraph (1), and

I.R.C. § 30D(g)(2)(D)(ii) —

such election shall not limit the value or use of such incentive.

I.R.C. § 30D(g)(3) Timing —

An election described in paragraph (1) shall be made by the taxpayer not later than the date on which the vehicle for which the credit is allowed under subsection (a) is purchased.

I.R.C. § 30D(g)(4) Revocation of Registration —

Upon determination by the Secretary that a dealer has failed to comply with the requirements described in paragraph (2), the Secretary may revoke the registration (as described in subparagraph (A) of such paragraph) of such dealer.

I.R.C. § 30D(g)(5) Tax Treatment of Payments —

With respect to any payment described in paragraph (2)(C), such payment—

I.R.C. § 30D(g)(5)(A) —

shall not be includible in the gross income of the taxpayer, and

I.R.C. § 30D(g)(5)(B) —

with respect to the dealer, shall not be deductible under this title.

I.R.C. § 30D(g)(6) Application of Certain Other Requirements —

In the case of any election under paragraph (1) with respect to any vehicle—

I.R.C. § 30D(g)(6)(A) —

the requirements of paragraphs (1) and (2) of subsection (f) shall apply to the taxpayer who acquired the vehicle in the same manner as if the credit determined under this section with respect to such vehicle were allowed to such taxpayer,

I.R.C. § 30D(g)(6)(B) —

paragraph (6) of such subsection shall not apply, and

I.R.C. § 30D(g)(6)(C) —

the requirement of paragraph (9) of such subsection (f) shall be treated as satisfied if the eligible entity provides the vehicle identification number of such vehicle to the Secretary in such manner as the Secretary may provide.

I.R.C. § 30D(g)(7) Advance Payment to Registered Dealers

I.R.C. § 30D(g)(7)(A) In General —

The Secretary shall establish a program to make advance payments to any eligible entity in an amount equal to the cumulative amount of the credits allowed under subsection (a) with respect to any vehicles sold by such entity for which an election described in paragraph (1) has been made.

I.R.C. § 30D(g)(7)(B) Excessive Payments —

Rules similar to the rules of section 6417(d)(6) shall apply for purposes of this paragraph.

I.R.C. § 30D(g)(7)(C) Treatment of Advance Payments —

For purposes of section 1324 of title 31, United States Code, the payments under subparagraph (A) shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

I.R.C. § 30D(g)(8) Dealer —

For purposes of this subsection, the term “dealer” means a person licensed by a State, the District of Columbia, the Commonwealth of Puerto Rico, any other territory or possession of the United States, an Indian tribal government, or any Alaska Native Corporation (as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)) to engage in the sale of vehicles.

I.R.C. § 30D(g)(9) Indian Tribal Government —

For purposes of this subsection, the term “Indian tribal government” means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently



as of the date of enactment of this subsection pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

#### I.R.C. § 30D(g)(10) Recapture —

In the case of any taxpayer who has made an election described in paragraph (1) with respect to a new clean vehicle and received a payment described in paragraph (2)(C) from an eligible entity, if the credit under subsection (a) would otherwise (but for this subsection) not be allowable to such taxpayer pursuant to the application of subsection (f)(10), the tax imposed on such taxpayer under this chapter for the taxable year in which such vehicle was placed in service shall be increased by the amount of the payment received by such taxpayer.

Editor's Note: Sec. 30D(h), below, as added by Pub. L. 117-169, Sec. 13401(h), is effective for vehicles placed in service after December 31, 2022. See Pub. L. 117-169, Sec. 13401(l), transition rule.

#### I.R.C. § 30D(h) Termination —

No credit shall be allowed under this section with respect to any vehicle placed in service after December 31, 2022.

(Added by Pub. L. 110-343, div. B, title II, Sec. 205(a), Oct. 3, 2008, 122 Stat. 3765; and amended by Pub. L. 111-5, div. B, title I, Sec. 1141(a), Feb. 17, 2009, 123 Stat. 115; Pub. L. 111-148, Sec. 10909(b)(2)(H), Mar. 23, 2010, 124 Stat. 119; Pub. L. 112-240, title I, Sec. 104(c)(2)(I), title IV, Sec. 403, Jan. 2, 2013, 126 Stat. 2313; Pub. L. 113-295, Div. A, title II, Sec. 209(e), Dec. 19, 2014, 128 Stat. 4010; Pub. L. 114-113, Div. Q, title I, Sec. 183(a); Pub. L. 115-123, Div. D, title I, Sec. 40405(a), Feb. 9, 2018, 132 Stat. 64; Pub. L. 116-94, Div. Q, title I, Sec. 126, Dec. 20, 2019; Pub. L. 116-260, Div. EE, title I, Sec. 144(a), Dec. 27, 2020, 134 Stat. 1182; Pub. L. 117-169, title I, Sec. 13401, Aug. 16, 2022, 136 Stat. 1818.)

### BACKGROUND NOTES

#### AMENDMENTS

2022 — Sec. 30D. Pub. L. 117-169, Sec. 13401(i)(1), amended heading of sec. 30D by substituting “Clean Vehicle Credit” for “New Qualified Plug-In Electric Drive Motor Vehicles”.

Subsec. (a). Pub. L. 117-169, Sec. 13401(c)(2)(A), amended subsec. (a) by substituting “new clean vehicle” for “new qualified plug-in electric drive motor vehicle”.

Subsec. (b)(1). Pub. L. 117-169, Sec. 13401(c)(2)(B), amended par. (1) by substituting “new clean vehicle” for “new qualified plug-in electric drive motor vehicle”.

Subsec. (b)(2)–(3). Pub. L. 117-169, Sec. 13401(a), amended pars. (2)–(3). Before amendment, it reads as follows:

“(2) Base Amount.—

“The amount determined under this paragraph is \$2,500.

“(3) Battery Capacity.—

“In the case of a vehicle which draws propulsion energy from a battery with not less than 5 kilowatt hours of capacity, the amount determined under this paragraph is \$417, plus \$417 for each kilowatt hour of capacity in excess of 5 kilowatt hours. The amount determined under this paragraph shall not exceed \$5,000.”

Subsec. (d). Pub. L. 117-169, Sec. 13401(c)(1)(A), amended subsec. (d) in the heading by substituting “Clean” for “Qualified Plug-In Electric Drive Motor”.

Subsec. (d)(1). Pub. L. 117-169, Sec. 13401(c)(1)(B)(i), amended par. (1) by substituting “clean” for “qualified plug-in electric drive motor” in the matter preceding subparagraph (A).

Subsec. (d)(1)(C). Pub. L. 117-169, Sec. 13401(c)(1)(B)(ii), amended subpar. (C) by inserting “qualified” before “manufacturer”.

Subsec. (d)(1)(E). Pub. L. 117-169, Sec. 13401(b)(1)(A), amended subpar. (E) by striking “and” at the end.

Subsec. (d)(1)(F)(ii). Pub. L. 117-169, Sec. 13401(b)(1)(B), amended clause (ii) by substituting “, and” for the period at the end.

Subsec. (d)(1)(F)(i). Pub. L. 117-169, Sec. 13401(c)(1)(B)(iii)(I), amended clause (i) by substituting “7” for “4”.

Subsec. (d)(1)(F)(ii). Pub. L. 117-169, Sec. 13401(c)(1)(B)(iii)(II), amended clause (ii) by striking “and” at the end.

Subsec. (d)(1)(G). Pub. L. 117-169, Sec. 13401(b)(1)(C), added subpar. (G).

Subsec. (d)(1)(G). Pub. L. 117-169, Sec. 13401(c)(1)(B)(iv), amended subpar. (G) by substituting “, and” for the period at the end.

Subsec. (d)(1)(H). Pub. L. 117-169, Sec. 13401(c)(1)(B)(v), added subpar. (H).

Subsec. (d)(1)(H)(iv). Pub. L. 117-169, Sec. 13401(g)(2)(A)(i), amended clause (iv) by striking “and” at the end.

Subsec. (d)(1)(H)(v). Pub. L. 117-169, Sec. 13401(g)(2)(A)(ii), amended clause (v) by substituting “, and” for the period at the end.

Subsec. (d)(1)(H)(vi). Pub. L. 117-169, Sec. 13401(g)(2)(A)(iii), added clause (vi).

Subsec. (d)(3). Pub. L. 117-169, Sec. 13401(c)(1)(C), amended par. (3) by substituting “Qualified Manufacturer” for “Manufacturer” in the heading and by substituting “The term ‘qualified manufacturer’ means any manufacturer (within the meaning of the” for “The term ‘manufacturer’ has the meaning given such term in” and by inserting “) which enters into a written agreement with the Secretary under which such manufacturer agrees to make periodic written reports to the Secretary (at such times and in such manner as the Secretary may provide) providing vehicle identification numbers and such other information related to each vehicle manufactured by such manufacturer as the Secretary may require” before the period at the end.

Subsec. (d)(5). Pub. L. 117-169, Sec. 13401(b)(2), added par. (5).

Subsec. (d)(6). Pub. L. 117-169, Sec. 13401(c)(1)(D), added par. (6).

Subsec. (d)(7). Pub. L. 117-169, Sec. 13401(e)(2), added par. (7).

Subsec. (e). Pub. L. 117-169, Sec. 13401(d), struck subsec. (e). Before struck, it reads as follows:

“(e) Limitation On Number Of New Qualified Plug-In Electric Drive Motor Vehicles Eligible For Credit.—

“(1) In General.—In the case of a new qualified plug-in electric drive motor vehicle sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (a) shall be allowed.

“(2) Phaseout Period.—For purposes of this subsection, the phaseout period is the period beginning with the second calendar quarter following the calendar quarter which includes the first date on which the number of new qualified plug-in electric drive motor vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2009, is at least 200,000.

“(3) Applicable Percentage.—For purposes of paragraph (1), the applicable percentage is—

“(A) 50 percent for the first 2 calendar quarters of the phaseout period,

“(B) 25 percent for the 3rd and 4th calendar quarters of the phaseout period, and

“(C) 0 percent for each calendar quarter thereafter.

“(4) Controlled Groups.—Rules similar to the rules of section 30B(f)(4) shall apply for purposes of this subsection.”

Subsec. (e). Pub. L. 117-169, Sec. 13401(e)(1), added a new subsec. (e).

Subsec. (f)(3). Pub. L. 117-169, Sec. 13401(g)(2)(B)(i), struck par. (3). Before struck, it reads as follows:

“(3) Property Used By Tax-Exempt Entity.—In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (c)). For purposes of subsection (c), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.”

Subsec. (f)(8)–(11). Pub. L. 117-169, Sec. 13401(f), added pars. (8), (9), (10), and (11).

Subsec. (f)(8). Pub. L. 117-169, Sec. 13401(g)(2)(B)(ii), amended par. (8) by inserting “, including any vehicle with respect to which the taxpayer elects the application of subsection (g)” before the period at the end.

Subsec. (g). Pub. L. 117-169, Sec. 13401(g)(1), amended subsec. (g). Before amendment, it reads as follows:

“(g) Credit Allowed For 2- and 3-Wheeled Plug-In Electric Vehicles—

“(1) In General.—In the case of a qualified 2- or 3-wheeled plug-in electric vehicle—

“(A) there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the applicable amount with respect to each such qualified 2- or 3-wheeled plug-in electric vehicle placed in service by the taxpayer during the taxable year, and

“(B) the amount of the credit allowed under subparagraph (A) shall be treated as a credit allowed under subsection (a).

“(2) Applicable Amount.—For purposes of paragraph (1), the applicable amount is an amount equal to the lesser of—

“(A) 10 percent of the cost of the qualified 2- or 3-wheeled plug-in electric vehicle, or

“(B) \$2,500.

“(3) Qualified 2- or 3-Wheeled Plug-In Electric Vehicle.—The term ‘qualified 2- or 3-wheeled plug-in electric vehicle’ means any vehicle which—

“(A) has 2 or 3 wheels,

“(B) meets the requirements of subparagraphs (A), (B), (C), (E), and (F) of subsection (d)(1) (determined by substituting ‘2.5 kilowatt hours’ for ‘4 kilowatt hours’ in subparagraph (F)(i)),

“(C) is manufactured primarily for use on public streets, roads, and highways,

“(D) is capable of achieving a speed of 45 miles per hour or greater, and

“(E) is acquired—

“(i) after December 31, 2011, and before January 1, 2014, or

“(ii) in the case of a vehicle that has 2 wheels, after December 31, 2014, and before January 1, 2022.”

Subsec. (h). Pub. L. 117-169, Sec. 13401(h), added subsec. (h).

2020 — Subsec. (g)(3)(E)(ii). Pub. L. 116-260, Div. EE, Sec. 144(a), amended clause (ii) by substituting “January 1, 2022” for “January 1, 2021”.

2019 — Subsec. (g)(3)(E)(ii). Pub. L. 116-94, Div. Q, Sec. 126(a), amended clause (ii) by substituting “January 1, 2021” for “January 1, 2018”.

2018 — Subsec. (g)(3)(E)(ii). Pub. L. 115-123, Sec. 40405(a), amended clause (ii) by substituting “January 1, 2018” for “January 1, 2017”.

2015 — Subsec. (g)(3)(E). Pub. L. 114-113, Div. Q, Sec. 183(a), amended subpar. (E) by substituting “acquired—(i) after December 31, 2011, and before January 1, 2014, or (ii) in the case of a vehicle that has 2 wheels, after December 31, 2014, and before January 1, 2017.” for “acquired after December 31, 2011, and before January 1, 2014.”

2014 — Subsec. (f)(1). Pub. L. 113-295, Div. A, Sec. 209(e)(1)(A), amended par. (1) by inserting “(determined without regard to subsection (c))” before the period at the end.

Subsec. (f)(2). Pub. L. 113-295, Div. A, Sec. 209(e)(1)(B), amended par. (2) by inserting “(determined without regard to subsection (c))” before the period at the end.

Subsec. (f)(3). Pub. L. 113-295, Div. A, Sec. 209(e)(2), amended par. (3) by inserting “For purposes of subsection(c), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.” at the end.

2013 — Subsec. (c)(2). Pub. L. 112-240, Sec. 104(c)(2)(I), amended par. (2). Before amendment, it read as follows:

“(2) Personal Credit.—

“(A) In General.—For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.

“(B) Limitation Based On Amount Of Tax.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall not exceed the excess of—

“(i) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(ii) the sum of the credits allowable under subpart A (other than this section and sections 23 and 25D) and section 27 for the taxable year.”

Subsec. (f)(2). Pub. L. 112-240, Sec. 403(b)(1), amended par. (2) by substituting “vehicle for which a credit is allowable under subsection (a)” for “new qualified plug-in electric drive motor vehicle” and by substituting “allowed under such subsection” for “allowed under subsection (a)”.

Subsec. (f)(7). Pub. L. 112-240, Sec. 403(b)(2), amended par. (7) by substituting “vehicle” for “motor vehicle”.

Subsec. (g). Pub. L. 112-240, Sec. 403(a), added subsec. (g).

2010 — Subsec. (c)(2)(B)(ii). Pub. L. 111-148, Sec. 10909(b)(2)(H), amended clause (ii) by substituting “section” for “sections 23 and”.

2009 — Pub. L. 111-5, Div. B, Sec. 1141(a), amended Sec. 30D. Before amendment, it read as follows:

“Sec. 30D. New Qualified Plug-In Electric Drive Motor Vehicles.—

“(a) Allowance Of Credit.—

“(1) In General.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable amount with respect to each new qualified plug-in electric drive motor vehicle placed in service by the taxpayer during the taxable year.

“(2) Applicable Amount.—For purposes of paragraph (1), the applicable amount is sum of—

“(A) \$2,500, plus

“(B) \$417 for each kilowatt hour of traction battery capacity in excess of 4 kilowatt hours.

“(b) Limitations.—

“(1) Limitation Based On Weight.—The amount of the credit allowed under subsection (a) by reason of subsection (a)(2) shall not exceed—

“(A) \$7,500, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of not more than 10,000 pounds,

“(B) \$10,000, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 10,000 pounds but not more than 14,000 pounds,

“(C) \$12,000, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000, and

“(D) \$15,000, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 26,000 pounds.

“(2) Limitation On Number of Passenger Vehicles And Light Trucks Eligible for Credit.—

“(A) In General.—In the case of a new qualified plug-in electric drive motor vehicle sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (a) shall be allowed.

“(B) Phaseout Period.—For purposes of this subsection, the phaseout period is the period beginning with the second calendar quarter following the calendar quarter which includes the first date on which the total number of such new qualified plug-in electric drive motor vehicles sold for use in the United States after December 31, 2008, is at least 250,000.

“(C) Applicable Percentage.—For purposes of subparagraph (A), the applicable percentage is—

“(i) 50 percent for the first 2 calendar quarters of the phaseout period,

“(ii) 25 percent for the 3d and 4th calendar quarters of the phaseout period, and

“(iii) 0 percent for each calendar quarter thereafter.

“(D) Controlled Groups Rules similar to the rules of section 30B(f)(4) shall apply for purposes of this subsection.

“(c) New Qualified Plug-In Electric Drive Motor Vehicle.—For purposes of this section, the term ‘new qualified plug-in electric drive motor vehicle’ means a motor vehicle—

“(1) which draws propulsion using a traction battery with at least 4 kilowatt hours of capacity,

“(2) which uses an offboard source of energy to recharge such battery,

“(3) which, in the case of a passenger vehicle or light truck which has a gross vehicle weight rating of not more than 8,500 pounds, has received a certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

“(A) in the case of a vehicle having a gross vehicle weight rating of 6,000 pounds or less, the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle, and

“(B) in the case of a vehicle having a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, the Bin 8 Tier II emission standard which is so established,

“(4) the original use of which commences with the taxpayer,

“(5) which is acquired for use or lease by the taxpayer and not for resale, and

“(6) which is made by a manufacturer.

“(d) Application With Other Credits.—

“(1) Business Credit Treated as Part of General Business Credit.— So much of the credit which would be allowed under subsection (a) for any taxable year (determined without regard to this subsection) that is attributable to property of a character subject to an allowance for depreciation shall be treated as a credit listed in section 38(b) for such taxable year (and not allowed under subsection (a)).

“(2) Personal Credit.—

“(A) In General.—For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.

“(B) Limitation Based on Amount of Tax.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall not exceed the excess of—

“(i) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(ii) the sum of the credits allowable under subpart A (other than this section and sections 23 and 25D) and section 27 for the taxable year.

“(e) Other Definitions and Special Rules.—For purposes of this section—

“(1) Motor Vehicle.—The term ‘motor vehicle’ has the meaning given such term by section 30(c)(2).

“(2) Other Terms.—The terms ‘passenger automobile’, ‘light truck’, and ‘manufacturer’ have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

“(3) Traction Battery Capacity.—Traction battery capacity shall be measured in kilowatt hours from a 100 percent state of charge to a zero percent state of charge.

“(4) Reduction in Basis.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

“(5) No Double Benefit.—The amount of any deduction or other credit allowable under this chapter for a new qualified plug-in electric drive motor vehicle shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

“(6) Property Used by Tax-Exempt Entity.—In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (b)(2)).

“(7) Property Used Outside United States, Etc., Not Qualified.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

“(8) Recapture.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).

“(9) Election To Not Take Credit.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects not to have this section apply to such vehicle.

“(10) Interaction With Air Quality and Motor Vehicle Safety Standards.—Unless otherwise provided in this section, a motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

“(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

“(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

“(f) Regulations.—

“(1) In General.—Except as provided in paragraph (2), the Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

“(2) Coordination In Prescription of Certain Regulations.—The Secretary of the Treasury, in coordination with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

“(g) Termination.—This section shall not apply to property purchased after December 31, 2014.”

#### EFFECTIVE DATE OF 2022 AMENDMENTS

Amendments by Pub. L. 117-169, title I, Sec. 13401(c)(1)(A)–(D) and (2)(A)–(B), (f), (h), (i)(1), applicable to vehicles placed in service after December 31, 2022.

Amendments by Pub. L. 117-169, title I, Sec. 13401(b)(1)(A)–(C), (b)(2), applicable to vehicles sold after the date of enactment of this Act. [Enacted: Aug. 16, 2022].

Amendments by Pub. L. 117-169, title I, Sec. 13401(a), (e)(1) and (2), applicable to vehicles placed in service after the date on which the proposed guidance described in paragraph (3)(B) of section 30D(e) of the Internal Revenue Code of 1986 (as added by subsection (e)) is issued by the Secretary of the Treasury (or the Secretary's delegate).

Amendments by Pub. L. 117-169, title I, Sec. 13401(g)(1), (g)(2)(A)(i)–(iii) and (B)(i)–(ii), applicable to vehicles placed in service after December 31, 2023.

Amendment by Pub. L. 117-169, title I, Sec. 13401(d), applicable to vehicles sold after December 31, 2022.

#### EFFECTIVE DATE OF 2020 AMENDMENTS

Amendments by Pub. L. 116-260, Div. EE, Sec. 144(a), applicable to vehicles acquired after December 31, 2020.

#### EFFECTIVE DATE OF 2019 AMENDMENTS

Amendments by Pub. L. 116-94, Div. Q, Sec. 126, applicable to vehicles acquired after December 31, 2017.

#### EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-123, Sec. 40405(a), effective for vehicles acquired after December 31, 2016.

#### EFFECTIVE DATE OF 2015 AMENDMENT

Amendment by Pub. L. 114-113, Div. Q, Sec. 183(a), effective for vehicles acquired after December 31, 2014.

#### EFFECTIVE DATE OF 2014 AMENDMENTS

Amendments by Pub. L. 113-295, Div. A, Sec. 209(e), effective as if included in the provision of the American Recovery and Reinvestment Tax Act of 2009 [Pub. L. 111-5, Sec. 1141] to which it relates [Effective for vehicles acquired after Dec. 31, 2009].

#### EFFECTIVE DATE OF 2013 AMENDMENTS

Amendment by Sec. 104(c) of Pub. L. 112-240 effective for taxable years beginning after December 31, 2011.

Amendments by Sec. 403(b) of Pub. L. 112-240 effective for vehicles acquired after December 31, 2011.

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Sec. 10909(b) of Pub. L. 111-148 effective for taxable years beginning after December 31, 2009. Pub. L. 111-148, Sec. 10909(c), as amended by Pub. L. 111-312, Sec. 101(b), provided that:

“(c) SUNSET PROVISION.—Each provision of law amended by this section is amended to read as such provision would read if this section had never been enacted. The amendments made by the preceding sentence shall apply to taxable years beginning after December 31, 2011.”

#### EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Sec. 1141(a) of Pub. L. 111-5, Div. B, effective for vehicles acquired after December 31, 2009.

#### EFFECTIVE DATE

Effective for taxable years beginning after December 31, 2008.

#### GROSS-UP OF DIRECT SPENDING

Sec. 13401(j) of Pub. L. 117-169, provided that:

Beginning in fiscal year 2023 and each fiscal year thereafter, the portion of any credit allowed to an eligible entity (as defined in section 30D(g)(2) of the Internal Revenue Code of 1986) pursuant to an election made under section 30D(g) of the Internal Revenue Code of 1986 that is direct spending shall be increased by 6.0445 percent.

Sec. 13401(l) of Pub. L. 117-169, provided the following:

#### TRANSITION RULE

Sec. 13401(l) of Pub. L. 117-169, provided that:

Solely for purposes of the application of section 30D of the Internal Revenue Code of 1986, in the case of a taxpayer that—

(1) after December 31, 2021, and before the date of enactment of this Act, purchased, or entered into a written binding contract to purchase, a new qualified plug-in electric drive motor vehicle (as defined in section 30D(d)(1) of the Internal Revenue Code of 1986, as in effect on the day before the date of enactment of this Act), and

(2) placed such vehicle in service on or after the date of enactment of this Act, such taxpayer may elect (at such time, and in such form and manner, as the Secretary of the Treasury, or the Secretary's delegate, may prescribe) to treat such vehicle as having been placed in service on the day before the date of enactment of this Act. [Enacted: Aug. 16, 2022]

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