

# Electric vehicle credits checklist

|  | 30D   | 25E  | 45W  |
|--|---|--|--|
|  | Clean vehicle credit  | Previously owned clean vehicle credit ***                | Commercial clean vehicle credit<br>(Businesses or TE organizations****)  |
| Credit amount*                               | \$3,750 for critical minerals, \$3,750 for battery components* ** | Lesser of:<br>1) \$4,000 or<br>2) 30% of the sales price | Lesser of:<br>1) 15% (hybrid)/30% of basis or 2) the incremental cost of the vehicle (up to \$7,500 or \$40,000)**** |
| Critical minerals requirement                | Yes**   | No   | No   |
| Battery components requirement               | Yes**   | No   | No   |
| North American assembly                      | Yes<br>(see link on next page)                                    | No   | No   |
| Carry forward unused portion                 | No  | No   | Yes, general business credit   |
| Credit refundable                            | No  | No   | No   |
| Original use with taxpayer                   | Yes   | No   | Yes  |
| OK to purchase vehicle for resale            | No  | No   | No   |
| Qualified manufacturer requirement           | Yes   | Yes  | Yes  |
| Gross vehicle weight limit                   | < 14,000 lbs.   | < 14,000 lbs.  | ****   |
| Battery capacity                             | Not less than 7kWh  | Not less than 7kWh                                       | Not less than 7kWh (15kWh if GVW > 14,000 lbs.)  |
| Dealership reports for taxpayer/IRS *****    | Yes   | Yes  | No   |
| Basis reduction                              | Yes   | Yes  | Yes  |
| No double-dipping with other credits         | Yes   | Yes  | Yes, including 30D   |
| Foreign primary use not allowed              | Yes   | Yes  | Yes  |
| Credit recapture if taxpayer is not eligible | Yes   | Yes  | Yes  |
| Can you elect out?                           | Yes   | Yes  | Yes  |
| One credit per vehicle                       | Yes   | Yes  | Yes  |
| VIN requirement on tax return                | Yes   | Yes  | Yes  |
| MAGI limitation (see next page)              | Yes   | Yes  | No   |
| MSRP limitation (see next page)              | Yes   | Yes, \$25,000 sale price limit                           | No   |
| Must be a dealer sale                        | No  | Yes  | No   |
| Time limit based on previous claims          | No  | Yes, three years preceding date of sale                  | No   |
| Must be depreciable property                 | No  | No   | Yes  |
| Credit transferable after December 31, 2023  | Yes   | Yes  | Yes  |
| Form used to claim the credit                | Form 8936   | Form 8936  | Pending  |
| Credit termination                           | Dec. 31, 2032   | Dec. 31, 2032  | Dec. 31, 2032  |

**Note:** Different rules may exist for qualified fuel cell vehicles, mobile machinery and two- or three- wheeled vehicles.

\* Prior to the release of guidance on the critical minerals and battery components, the credit is a base of \$2,500 plus \$417 for each kWh of battery capacity in excess of 5kWh.

\*\* This applies after the release of critical minerals/battery components guidance.

\*\*\* Model year at least two years earlier than the calendar year of purchase, purchase has to be the first transfer to a qualified buyer since the date of this new law enactment.

\*\*\*\* If GVW is less than 14,000 lbs., credit is limited to \$7,500. Otherwise, credit is limited to \$40,000.

\*\*\*\*\* Vehicles can qualify if placed in service by a tax-exempt organization and not subject to a lease.

\*\*\*\*\* See relevant IRS notice for details on what to report. Note that there are additional items to report for vehicles sold after Dec. 31, 2023 (when the credit can then be transferred to the dealer).

| MAGI limitations for clean vehicle credit |           | MAGI limitations for previously owned clean vehicle credit |           |
|---|-----------|--|-----------|
| MFJ or surviving spouse                   | \$300,000 | MFJ or surviving spouse                                    | \$150,000 |
| Head of household                         | \$225,000 | Head of household  | \$112,500 |
| Other                                     | \$150,000 | Other  | \$75,000  |

**Note:** MAGI limitation is based on the lesser of the MAGI in the year of purchase or the previous year.

| MSRP limitations for clean vehicle credit |          |
|---|----------|
| Vans                                      | \$80,000 |
| SUVs                                      | \$80,000 |
| Pickup trucks                             | \$80,000 |
| Other                                     | \$55,000 |

This chart is for general guidance only. It is not a substitute for consultation with your tax advisor. Qualification for tax credits and incentives requires careful consideration of the facts and law. This chart is based on the tax law in effect as of December 2022. Wipfli LLP does not undertake any obligation to update the chart for subsequent changes to the law.

**IRS listing of qualified vehicles and manufacturers:**

<https://www.irs.gov/credits-deductions/manufacturers-and-models-for-new-qualified-clean-vehicles-purchased-in-2023-or-after>

**DOE resource on VIN decoder for final assembly location:**

<https://afdc.energy.gov/laws/electric-vehicles-for-tax-credit>