



# NEW YORK IRA CONSUMER GUIDE

*30D Clean Vehicle Credit – Electric Vehicles*

# 30D Clean Vehicle Credit - Electric Vehicles

## IF YOU ARE BUYING A NEW EV

### CREDIT

- Light-duty electric vehicle tax credit of up to \$7,500/vehicle extended to 2032
- Don't need to claim as tax credit anymore, can directly apply to purchase (starts 2024)
- The NYS Drive Clean Rebate adds up to \$2,000 off of the purchase price of a new electric vehicle in addition to the federal tax credit. <https://www.nyseda.ny.gov/All-Programs/Drive-Clean-Rebate-For-Electric-Cars-Program>

### RESTRICTIONS

- Before there was a cap of 200,000 vehicles per automaker as many had reached like Tesla and GM (but this ends in 2023)
- All Electric Vehicle needs to be assembled in North America (new immediate rule)
  - » Find here: <https://www.irs.gov/credits-deductions/manufacturers-and-models-for-new-qualified-clean-vehicles-purchased-in-2023-or-after>
- As of April 18, 2023 caps value of new sedans eligible for the credit at \$55,000 and trucks/SUVs at \$80,000 (starting in 2023)
- EVs will also need to meet both the critical mineral and battery component requirements to qualify for the maximum available credit (as soon as IRS guidance is complete, and no later than December 31, 2022)
  - » EVs meeting the critical mineral requirement eligible for a \$3,750 tax credit.
  - » EVs meeting the battery component requirement eligible for additional \$3,750 tax credit.
- Qualifying EVs must meet the foreign entities of concern requirement:
  - » Starting in 2024, vehicles cannot have any battery components sourced from a foreign entity of concern, which includes China.
  - » Starting in 2025, EV batteries cannot have any critical minerals sourced from a foreign entity of concern, which includes China.
  - » Percentage of the minerals that go into that battery to be mined domestically or in countries with a free-trade agreement with the U.S.

### ELIGIBILITY- DON'T QUALIFY IF ... (STARTING IN 2023)

Individuals making more than <b>\$150,000 A YEAR</b>	Head of household is capped at <b>\$225,000 A YEAR</b>	Couples making more than <b>\$300,000 ANNUALLY</b>
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### SUMMARY OF 30D PROVISION

YEAR	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
200,000 per man. cap	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
MSRP cap	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Income cap	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tax credit as rebate	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Final Assembly in North America	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Critical mineral % of value requirement (\$3,750 tax credit)	40%	50%	60%	70%	80%	80%	80%	80%	80%	80%
Critical minerals foreign entities of concern rule	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Battery component % of value requirement (\$3,750 tax credit)	50%	60%	60%	70%	80%	90%	100%	100%	100%	100%
Battery component foreign entities of concern rule	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
Maximum tax credit	\$7500	\$7500	\$7500	\$7500	\$7500	\$7500	\$7500	\$7500	\$7500	\$7500

## IF YOU'RE BUYING A USED EV

*Previously: Never before were able to get federal tax credits*

### CREDIT

- Now can get a tax credit of \$4,000 or 30% of the vehicle's value (whichever is lower)
- You don't need to claim the credit on taxes anymore, you can directly apply to purchase (starts 2024)

### RESTRICTIONS

- Sale price must be less than \$25,000
- Must be at least two years old
- Can only qualify once for the subsidy
- Qualifying vehicle must also be propelled to a significant extent by an electric motor that draws electricity from a battery, which has a capacity of not less than 7 kWh, and is capable of being recharged from an external source of electricity

## IF BUYING CHARGING SUPPLIES OR EQUIPMENT

*Previously: Same law but since expired December 31, 2021, now expiring in 2032*

### CREDIT

- Essentially, if you install a home EV charging station, the tax credit is 30% of the cost of hardware and installation, up to \$1,000
- Can also apply to other EV charging equipment like bidirectional (i.e., two-way) chargers (starting in 2023)
- Businesses that install new EV chargers or EV charging equipment can also benefit from a tax incentive of up to 30% of the total cost of equipment and installation. But they will have to meet certain labor and construction requirements to be eligible to claim the full incentive (before the limit was 30,000 but after 2022 will be 100,000)





## NEW YORK LEAGUE OF CONSERVATION VOTERS

*NYLCV is the only statewide environmental organization in New York that fights for clean water, clean air, renewable energy and open space through political action. We're non-partisan, pragmatic and effective.*