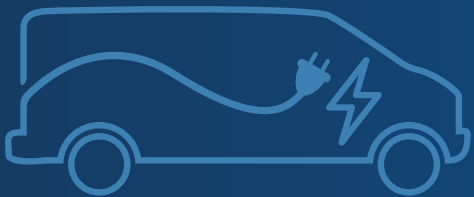


# 30C/45W: Alternative Fuel Vehicle Refueling Property Credit/Credit for Qualified Commercial Clean Vehicles



*National Association of  
State Energy Officials*



Enhanced Federal Energy Tax Incentives  
for Buildings, Transportation, and Energy  
Production - Overview and Use Cases



# 30C/45W: Alternative Fuel Vehicle Refueling Property Credit/Credit for Qualified Commercial Clean Vehicles

\*Note: The information in this brief does not represent tax advice. Please consult a tax advisor before applying for this incentive as part of your building construction or retrofit plan.

## Overview

Sections 30C and 45W of the Internal Revenue Code support the purchase and installation of clean vehicle infrastructure and clean fleet procurement.

Section 30C provides a tax credit to building owners who install alternative fuel vehicle fueling stations on their properties after January 1, 2023. Eligible fuels include natural gas, propane, hydrogen, electricity, E85, or biodiesel blends of at least 20 percent.<sup>1</sup> Businesses can receive a credit of six percent of the depreciable costs, up to \$100,000 per station. This credit can increase to 30 percent if a project meets prevailing wage and apprenticeship requirements. Projects must also be in census tracts that are either in low-income communities or non-urban areas. This credit is also available to public and nonprofit building owners through Elective Pay, as well as residential homeowners and commercial building owners.

Section 45W enables businesses to claim a credit for purchasing commercial clean vehicles. The size of the credit varies depending on the gross vehicle weight rating (GVWR), the amount of an owner's basis in the vehicle based on the type of engine, and the incremental cost of the vehicle compared to an internal combustion engine (ICE) powered vehicle.<sup>2</sup> The credit value is defined by the incremental cost between the clean vehicle and the ICE vehicle, up to \$7,500 or \$40,000 depending on the weight of the vehicle. This credit is eligible for Elective Pay and both tax-exempt organizations as well as private businesses qualify for the credit.

### Overview of 30C/45W Tax Credits<sup>3</sup>

Category	30C Alternative Fuel Vehicle Refueling Property Credit	45W Credit for Qualified Commercial Clean Vehicles	
		GVWR < 14,000 lbs	GVWR > 14,000 lbs
Maximum Credit	\$100,000 for commercial, \$1,000 for residential	\$7,500	\$40,000
Wage and Apprenticeship Requirements	Applicable increases credit amount by 5x compared to the base credit	Not Applicable	
Eligible Vehicle or Infrastructure Categories	Fueling infrastructure that dispenses natural gas, hydrogen, propane, electricity, E85, biodiesel blends of at least 20%	PHEVs, EVs, fuel cells	
Base credit	6%	30% for EVs 15% for any ICE-powered vehicle (including PHEVs)	

1 "Alternative Fuel Infrastructure Tax Credit," U.S. Department of Energy, Alternative Fuels Data Center, <https://afdc.energy.gov/laws/10513>.  
 2 The incremental cost of a vehicle is the amount of its purchase price in excess of a similar gas or diesel internal combustion engine model.  
 3 Chart developed from "Commercial Clean Vehicle Credit," Internal Revenue Service, <https://www.irs.gov/credits-deductions/commercial-clean-vehicle-credit>, and "Alternative Fuel Vehicle Refueling Property Credit," Internal Revenue Service, <https://www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit>.

## How to Leverage this Tax Incentive

**Example:** A state Department of Transportation wishes to invest in new electric vehicles and charging equipment for its branch office in the rural part of a state.

A state Department of Transportation is looking to upgrade its vehicle fleet to electric vehicles to meet state lead-by-example clean energy goals. The department decides to purchase the new fleet directly and install charging stations on-site to allow for easy refueling of the vehicles. As part of its plan to finance the cost of the upgrades, the department decides to leverage the tax incentives offered by the IRA by using Elective Pay. The department works with a state-approved contractor to develop a plan to site and install the charging stations, and contracts with an electric vehicle supplier to place an order for the new fleet for use later that year.

After the installations and purchases are complete, the department completes its pre-filing registration with the IRS and determines its tax year for the projects. It then files Form 990-T to submit its annual tax return before May 15, since the agency operates on a calendar year basis, and makes a valid elective payment election. The department uses its state's Energy Efficiency Revolving Loan Fund to acquire gap financing to cover the costs of the repayment before it receives the value of the tax credits from the IRS. Finally, the department receives the value of the credits from the IRS and uses that value to pay for a portion of the financing for the fleet and charging stations.

## Considerations for State Energy Offices

**Which decision-makers need to know about this incentive?**

- State agency administrators
- MUSH market decisionmakers
- Commercial and multifamily building owners
- Single-family homeowners

**What are avenues to reach those decision-makers?**

- Communications through mailers, webinars, and websites with key information
- Outreach to contractor networks and ESCOs through training webinars, mailers, etc.
- Participation at in-state conferences and roadshows

**What other sources of IIJA and/or IRA funds can building or facility owners potentially leverage alongside this credit?**

- **IIJA Section 40502** - Energy Efficiency Revolving Loan Fund Capitalization Grant Program funds could be leveraged as low-cost financing for a project if the state has made charging stations an eligible upgrade.
- **IRA Section 60103** - Greenhouse Gas Reduction Fund capital can be leveraged to support investments in public sector buildings.
- **IRA Section 60114** - Climate Pollution Reduction Grants can be used to support financing for Elective Pay if the state chooses to use them for that purpose.

## Resources

### Internal Revenue Service Summaries of 30C and 45W

The following webpages provide information on key aspects of 30C and 45W, including eligibility for the incentives, the incentive amounts available to qualifying vehicles and fueling infrastructure, and the process by which customers can claim these credits.

30C Credit Link: <https://www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit>

45W Credit Link: <https://www.irs.gov/credits-deductions/commercial-clean-vehicle-credit>

### Frequently Asked Questions for Elective Pay

This webpage provides answers to common questions building owners may have about Elective Pay and the Elective Pay process and rules.

Link: <https://www.irs.gov/credits-deductions/elective-pay-and-transferability-frequently-asked-questions-elective-pay>

### Forms Needed to Claim This Credit and Guides to the Process

[Pre-Filing Registration Page - Elective Pay](#)

[Pre-Filing Registration Tool User Guide](#)

[Filing Tips for Tax-Exempt Organization Returns - Tax Years After 2007](#)

[Clean Energy Authorization Permission Management User Guide](#)

**NASEO** 

*National Association of  
State Energy Officials*