

Plug-in Electric Vehicle Credit

The plug-in electric vehicle credit under Section IRC Section 30D is a credit equal to a portion of the cost of new qualified plug-in electric drive motor vehicles and can reach as high as \$7,500. The credit for any particular manufacturer goes through a phase-out schedule once the manufacturer reaches a total of at least 200,000 vehicles sold for use or lease in the United States.

In Notice 2019-22 IRS announced that General Motors, LLC reached this threshold in the quarter ending December 31, 2018. Therefore, the phase-out schedule now applies to any plug-in electric vehicle credit for vehicles manufactured by General Motors, LLC. This means the normal credit is reduced. For any vehicles that qualified for the normal \$7,500 credit, it is now:

- a) \$7,500 for any qualified vehicle sold from January 1, 2019 – March 31, 2019.
- b) \$3,750 (50% x \$7,500) for any vehicle sold from April 1, 2019 – September 30, 2019.
- c) \$1,875 (25% x \$7,500) for any vehicles sold from October 1, 2019-March 31, 2020.
- d) \$0 for any vehicles sold after March 31, 2020.

This reduction for General Motors, LLC vehicles does not affect the credit for any other manufacturers' qualified vehicles. The current vehicles that IRS has identified as General Motors, LLC vehicles include the Volt, Bolt, Cadillac ELR, and Cadillac CT6.

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