

## Phase-out of Credit for New Qualified Plug-in Electric Drive Motor Vehicles

Notice 2019-22

### SECTION 1. PURPOSE

This notice announces the credit phase-out schedule for new qualified plug-in electric drive motor vehicles sold by General Motors, LLC.

### SECTION 2. BACKGROUND

Section 30D(a) of the Internal Revenue Code provides for a credit for certain new qualified plug-in electric drive motor vehicles. The new qualified plug-in electric drive motor vehicle credit begins to phase out for a manufacturer's vehicles in the second calendar quarter after the calendar quarter in which at least 200,000 of the manufacturer's vehicles that qualify for the credit have been sold for use or lease in the United States (determined on a cumulative basis for sales after December 31, 2009). Taxpayers purchasing the manufacturer's vehicles during the first two calendar quarters of the phase-out period may claim 50 percent of the otherwise allowable credit. Taxpayers purchasing the manufacturer's vehicles during the third and fourth calendar quarters of the phase-out period may claim 25 percent of the otherwise allowable credit. No credit is available for vehicles purchased after the last day of the fourth calendar quarter of the phase-out period.

Notice 2009-89, 2009-48 I.R.B. 714, provides procedures for a vehicle manufacturer (or in the case of a foreign vehicle manufacturer, its domestic distributor)

to certify to the Internal Revenue Service (Service) both (1) that a particular make, model and model year of vehicle qualifies as a plug-in electric drive motor vehicle and (2) the amount of the credit allowable with respect to that vehicle.

Section 5.05 of Notice 2009-89 requires a manufacturer (or, in the case of a foreign vehicle manufacturer, its domestic distributor) that has received from the Service an acknowledgement of its certification for a particular make, model, and model year of vehicle to submit to the Service a report of the number of qualified vehicles sold by the manufacturer (or, in the case of a foreign vehicle manufacturer, its domestic distributor) to consumers or retail dealers during the calendar quarter. A qualified vehicle is defined for this purpose as any vehicle that is a new qualified plug-in electric drive motor vehicle.

In accordance with section 5.05 of Notice 2009-89, General Motors, LLC has submitted reports that indicate that its cumulative sales of qualified vehicles reached the 200,000-vehicle limit during the calendar quarter ending December 31, 2018. Accordingly, the credit for all new qualified plug-in electric drive motor vehicles sold by General Motors, LLC will begin to phase out April 1, 2019.

### SECTION 3. SCOPE OF NOTICE

This notice applies to any make, model, or model year of new qualified plug-in electric drive motor vehicle that is –

- (1) sold by General Motors, LLC; and
- (2) purchased for use or lease in the United States on or after April 1, 2019.

### SECTION 4. CREDIT AMOUNT

If a new qualified plug-in electric drive motor vehicle sold by General Motors, LLC is purchased for use or lease on or after April 1, 2019, the allowable credit is as follows:

(1) For vehicles purchased for use or lease on or after April 1, 2019, and on or before September 30, 2019, the credit is 50 percent of the otherwise allowable amount determined under § 30D(b);

(2) For vehicles purchased for use or lease on or after October 1, 2019, and on or before March 31, 2020, the credit is 25 percent of the otherwise allowable amount determined under § 30D(b);

(3) For vehicles purchased for use or lease on or after April 1, 2020, no credit is allowable.

<b>Qualifying Vehicle</b>	Full Credit When Purchased through 3/31/2019; <i>(first quarter = 100% credit allowed)</i>	Reduced Credit When Purchased from 4/1/2019 through 9/30/2019 <i>(2<sup>nd</sup> &amp; 3<sup>rd</sup> quarters = 50% credit allowed)</i>	Reduced Credit When Purchased from 10/1/2019 through 3/31/2020 <i>(4<sup>th</sup> &amp; 5<sup>th</sup> quarters = 25% credit allowed)</i>	Credit available starting 4/1/2020
<b>Chevrolet Volt</b> 2011-2019	\$7,500	\$3,750	\$1,875	\$0
<b>Chevrolet Spark EV</b> 2014-2016	\$7,500	\$3,750	\$1,875	\$0
<b>Chevrolet Bolt</b> 2017-2019	\$7,500	\$3,750	\$1,875	\$0
<b>Cadillac ELR</b> 2014, 2016	\$7,500	\$3,750	\$1,875	\$0

<b>Cadillac CT6</b> Plug-In 2017-2018	\$7,500	\$3,750	\$1,875	\$0
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**SECTION 5: DRAFTING INFORMATION**

The principal author of this notice is Maggie Stehn of the Office of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice contact Ms. Stehn at (202) 317-4547 (not a toll-free call).