SECTION 1. PURPOSE

The Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) intend to propose regulations (forthcoming proposed regulations) addressing the requirements for determining in which population census tracts qualified alternative fuel vehicle refueling property must be placed in service, in order to be eligible for the alternative fuel vehicle refueling property credit under § 30C (§ 30C credit) of the Internal Revenue Code (Code), as amended by § 13404 of Public Law 117-169, 136 Stat. 1818 (August 16, 2022), commonly known as the Inflation Reduction Act of 2022 (IRA).\(^1\) Sections 2 and 3 of this notice provide relevant background and definitions, respectively, with respect to the § 30C credit. Section 4 of this notice specifies the requirements that the forthcoming proposed regulations would set forth for qualifying as an eligible census tract for purposes of the § 30C credit. Section 5 of this notice provides guidance that the forthcoming proposed regulations would set forth on how taxpayers can verify that property satisfies the geographic

\(^1\) Unless otherwise specified, all “Section” or “§” references are to sections of the Code.
requirements of § 30C(c)(3)). Until the issuance of the forthcoming proposed regulations, taxpayers may rely on sections 4 and 5 of this notice. In addition, this notice includes Appendices A and B, which list population census tracts that, under the rules intended to be proposed, the Treasury Department and the IRS have determined are eligible census tracts.

SECTION 2. BACKGROUND

.01 Section 30C was originally enacted by § 1342(a) of the Energy Policy Act of 2005, Public Law 109-58, 119 Stat. 1049 (Aug. 8, 2005), to provide a credit for the cost of qualified alternative fuel vehicle refueling property. Section 30C has been amended several times since its enactment, most recently by § 13404 of the IRA, which extended the § 30C credit (as in effect prior to the IRA) for qualified alternative fuel vehicle refueling property placed in service after December 31, 2021, and modified the § 30C credit, as described below, effective with respect to qualified alternative fuel vehicle refueling property placed in service after December 31, 2022, and on or before December 31, 2032.

.02 The amount of the § 30C credit is treated as a personal credit or a general business credit depending on the character of the property. In general, the § 30C credit is a nonrefundable personal credit allowable under subpart B of part IV of subchapter A of chapter 1 of the Code. However, the amount of the § 30C credit that is attributable to property that is of a character subject to an allowance for depreciation (depreciable property) is treated under § 30C(d)(1) as a current year business credit under § 38(b).

instead of being allowed under § 30C(a).

.03 The IRA modified § 30C in several ways. First, the IRA modified the limitation on the § 30C credit so that it no longer applies per location and instead applies per single item of qualified alternative fuel vehicle refueling property and increased the limitation for depreciable property. The § 30C credit with respect to any single item of qualified alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year is limited to $100,000 in the case of depreciable property, and $1,000 in any other case.

.04 Second, the IRA added a requirement that qualified alternative fuel vehicle refueling property must be placed in service in an eligible census tract. An eligible census tract is any population census tract that is a low-income community as described in § 45D(e) or that is not an urban area.

.05 Third, the IRA clarified that property will not fail to be treated as qualified alternative fuel vehicle refueling property solely because such property can charge the battery of a motor vehicle propelled by electricity and can discharge electricity from such battery to an electric load external to such motor vehicle.

.06 Fourth, the IRA modified the definition of qualified alternative fuel vehicle refueling property to include depreciable property designed to charge two- and three-wheeled motor vehicles manufactured primarily for use on public streets, roads, or highways and that are propelled by electricity.

.07 Fifth, the IRA modified the credit amount for depreciable qualified alternative fuel vehicle refueling property from 30 percent to 6 percent and provided an enhanced credit amount for such property that is part of a qualified alternative fuel vehicle
refueling project. A qualified alternative fuel vehicle refueling project is a project (1) that meets certain prevailing wage and apprenticeship requirements or (2) for which the construction began prior to January 29, 2023.

.08 Separately, the IRA allows an applicable entity (as defined in § 6417(d)(1)(A)) to make an election under § 6417 to be treated as making a payment against the tax imposed by subtitle A of the Code (for the taxable year with respect to which an applicable credit (as defined in § 6417(b)) was determined) equal to the amount of the applicable credit. The amount of a § 30C credit, to the extent treated under § 30C(d)(1) as a general business credit under § 38, is an applicable credit. The IRA also permits an eligible taxpayer to make an election under § 6418 to transfer all or a portion of the § 30C credit determined with respect to such taxpayer for any taxable year to an unrelated taxpayer.

SECTION 3. GENERAL DEFINITIONS

.01 Qualified Alternative Fuel Vehicle Refueling Property. “Qualified alternative fuel refueling property” means property that meets the requirements of § 30C(c)(1).

.02 Placed in Service.

(1) Depreciable property. Qualified alternative fuel vehicle refueling property that is depreciable property is considered placed in service in the earlier of the following taxable years:

(a) The taxable year in which, under the taxpayer’s depreciation practice, the period for depreciation with respect to such property begins; or

(b) The taxable year in which such property is placed in a condition or state of readiness and availability for a specifically assigned function, whether in a trade or
business or in the production of income.

(2) Non-depreciable property. Qualified alternative fuel vehicle refueling property that is non-depreciable property is considered placed in service when it is installed at the principal residence of the taxpayer and is operational.

.03 Low-Income Community Census Tract. A “low-income community census tract” is a population census tract described in section 4.03 of this notice.

.04 Non-Urban Census Tract. A “non-urban census tract” is a population census tract as described in section 4.04 of this notice.

.05 2020 Non-Urban Census Tracts. The term “2020 non-urban census tracts” is defined in section 4.04 of this notice.

.06 2011-2015 NMTC Tracts. The term “2011-2015 NMTC tracts” is defined in section 4.03 of this notice.

.07 2016-2020 NMTC tracts. The term “2016-2020 NMTC tracts” is defined in section 4.03 of this notice.

.08 2015 Census Tract Boundaries. The term “2015 census tract boundaries” is defined in section 4.03 of this notice.

.09 2020 Census Tract Boundaries. The term “2020 census tract boundaries” is defined in section 4.03 of this notice.

.10 GEOID. A “GEOID” is a numeric identifier associated with a geographic area.

.11 11-digit census tract GEOID. An “11-digit census tract GEOID” is a GEOID defined by the U.S. Bureau of the Census (Census Bureau) and comprised of a 2-digit state GEOID, 3-digit county GEOID, and 6-digit census tract GEOID. The 11-digit
census tract GEOID provides a unique identifier for each population census tract in the United States, including tracts in the U.S. territories. The 11-digit census tract GEOIDs may vary for any individual latitude/longitude point based on different census tract boundary delineation dates over time.

SECTION 4. ELIGIBLE CENSUS TRACTS

.01 Eligible Census Tracts Generally.

(1) Section 30C(c)(3) requires qualified alternative fuel vehicle refueling property to be placed in service in an eligible census tract in order to be eligible for the § 30C credit. An eligible census tract is any population census tract that qualifies as a low-income community as described in § 45D(e), or that is not an urban area. Consistent with § 30C(c)(3), the forthcoming proposed regulations would define eligible census tract to include low-income community census tracts and non-urban census tracts.

(2) Section 30C(e)(3) provides generally that property used outside the United States does not qualify for the § 30C credit by excluding property described in § 50(b)(1), which provides generally that property used predominantly outside the United States does not qualify for a credit to which § 50 applies. Section 50(b)(1)(B) provides an exception for property described in § 168(g)(4) that would allow property used predominantly in a territory of the United States to qualify for the § 30C credit. Section 168(g)(4) describes, among other things, property that is owned by a domestic corporation or by a United States citizen (other than a citizen entitled to the benefits of § 931 or § 933) and that is used predominantly in a territory (also referred to as a possession) of the United States by such a corporation or such a citizen, or by a corporation created or organized in, or under the law of, a territory of the United States.
Because § 30C(e)(3) allows for certain qualified alternative fuel vehicle refueling property to be used predominantly in a territory of the United States, eligible census tracts include low-income community census tracts and non-urban census tracts located in a territory of the United States.

.02 Census Bureau Terminology: Census Blocks, Population Census Tracts, Census Tract Boundaries, and Urban Areas.

(1) Census block. A “census block” is the smallest geographic area for which the Census Bureau collects and tabulates decennial census data.

(2) Population Census Tract. A “population census tract” is defined by the Census Bureau as small-area geographic divisions of a county or statistically equivalent entity defined for the tabulation and presentation of data from the decennial census and selected other statistical programs. Population census tracts are comprised of census blocks. The Census Bureau assigns to each population census tract a unique 11-digit census tract GEOID.

(3) Census Tract Boundaries. The Census Bureau delineates census tract boundaries largely based on population and housing density. For each decennial census, census tract boundaries are drawn to satisfy specific statistical measures. Boundaries generally follow visible and identifiable features but may also follow nonvisible legal boundaries. The most recent decennial census was conducted in 2020 (2020 Census). Census tract boundaries generally do not change between decennial censuses but may do so based on legal changes in geographic areas.

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Consequently, the Census Bureau releases updated delineations of census tract boundaries every year. The Census Bureau provides mapping files for each year to reflect the census tract boundaries in that year.⁴

(4) **Urban Area.** The Census Bureau determines urban areas based on densely developed territory encompassing residential, commercial, and other non-residential urban land uses. The Census Bureau delineates urban areas after each decennial census by applying specified criteria to decennial census and other data.

.03 **Low-Income Community Census Tracts.**

(1) Under § 30C(c)(3)(B)(i), an eligible census tract includes any population census tract that is described in § 45D(e), which defines the term “low-income community” for purposes of the new markets tax credit under § 45D (NMTC). In general, § 45D(e)(1) defines a low-income community as any population census tract for which the poverty rate is at least 20 percent based on the relevant American Community Survey (ACS) 5-year estimate. Section 45D(e)(1) further provides that a tract not located within a metropolitan area constitutes a low-income community if the median family income for such tract does not exceed 80 percent of statewide median family income. It additionally provides that a tract located within a metropolitan area is a low-income community if the median family income for such tract does not exceed 80 percent of the greater of the statewide median family income or the metropolitan area median family income. Section 45D(e)(2) provides that certain targeted populations (within the meaning of § 103(20) of the Riegle Community Development and Regulatory

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Improvement Act of 1994 (12 U.S.C. 4702(20)) may be treated as low-income communities. Section 45D(e)(3) describes the appropriate areas not within population census tracts that are used to determine poverty rates and median family income. Section 45D(e)(4) describes certain population census tracts with a population of less than 2,000 that are treated as a low-income community for purposes of the NMTC. Finally, § 45D(e)(5) describes population census tracts located within a high migration rural county.

(2) After consultation with the Community Development Financial Institutions Fund (CDFI Fund), which jointly administers § 45D with the IRS, the Treasury Department and the IRS cannot identify with verifiable accuracy the population census tracts that currently meet the requirements of § 45D(e)(2) and (4). Accordingly, the Treasury Department and the IRS intend to request comments on whether and how such population census tracts could be accurately identified to qualify as eligible census tracts in future guidance. Furthermore, the Treasury Department and the IRS have concluded that areas described in § 45D(e)(3) do not qualify as eligible census tracts because they are not population census tracts as required by § 30C(c)(3)(B)(i).

(3) Low-income community population census tracts are determined by the CDFI Fund. The CDFI Fund determines these population census tracts based in part on ACS 5-year estimates, which are published by the Census Bureau. The CDFI Fund updates the NMTC determination of “low-income community” census tracts approximately every five years based on the updated ACS 5-year estimates. Prior to September 1, 2023, the NMTC low-income community census tracts were based on 2011-2015 ACS 5-year estimates (2011-2015 NMTC tracts), which use the 2015 delineation of census tract
boundaries (2015 census tract boundaries). On September 1, 2023, the NMTC low-income community census tracts were updated to be based on the 2016-2020 ACS 5-year estimates (2016-2020 NMTC tracts), which use the 2020 delineation of census tract boundaries (2020 census tract boundaries).  

(4) For purposes of the NMTC, prior to September 1, 2023, taxpayers had to look to the 2011-2015 NMTC tracts to determine which population census tracts were low-income communities. After a data update, CDFI Fund provides a one-year transition period. Therefore, between September 1, 2023, and August 31, 2024, taxpayers can look to either the 2011-2015 NMTC or the 2016-2020 NMTC tracts to determine which population census tracts are low-income communities for the NMTC. On or after September 1, 2024, taxpayers must look to the 2016-2020 NMTC tracts to determine which population census tracts are low-income communities for the NMTC.

(5) For purposes of § 30C(c)(3)(B)(i)(I), the Treasury Department and the IRS intend to propose regulations that will designate population census tracts as low-income community census tracts. For qualified alternative fuel vehicle refueling property that is placed in service after December 31, 2022, and before January 1, 2025, the Treasury Department and the IRS intend to provide guidance stating that a taxpayer may utilize either the 2011-2015 NMTC tracts or the 2016-2020 NMTC tracts to determine if property is placed in service in a low-income community. This transition period is largely consistent with the transition period for purposes of the NMTC. However, the period in which a taxpayer may make a determination based on either NMTC

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determination and related census tract boundary delineation for purposes of the § 30C credit would be extended to include the periods from January 1, 2023, to August 31, 2023, and from September 1, 2024, to December 31, 2024, so that taxpayers could rely on the same NMTC determination and relevant census tract boundary delineation for all property placed in service in the same calendar year. This transition period will be applicable only for purposes of the § 30C credit.

.04 Non-Urban Census Tracts. Under § 30C(c)(3)(B)(ii), the term “urban area” means a population census tract that has been designated as an urban area by the Secretary of Commerce in the most recent decennial census. However, as of the 2020 Census (the most recent decennial census), the Census Bureau defines urban areas on the basis of census blocks and not on the basis of population census tracts. For purposes of § 30C(c)(3)(B)(i)(II), the Treasury Department and the IRS intend to propose regulations providing that any population census tract in which at least 10 percent of the census blocks are not designated as urban areas would be a “non-urban census tract.” The Treasury Department and the IRS also intend to use the 2020 census tract boundaries, and the Census Bureau’s determination of urban areas using the 2020 Census. Thus, these “2020 non-urban census tracts” would be eligible census tracts for purposes of § 30C. The Treasury Department and the IRS believe that this definition is consistent with the purpose of § 30C of providing a credit to alternative vehicle fuel refueling property placed in service in non-urban areas. The Treasury Department and the IRS received a number of comments on the appropriate

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threshold of urban blocks, and the 10-percent threshold is within the range suggested by commenters.

.05 Anticipated Update for Low-income Community Census Tracts. Low-income community census tracts will be updated for purposes of the § 30C credit upon future releases of NMTC census tract determinations by the CDFI Fund. The Treasury Department and the IRS anticipate that an updated set of NMTC tracts will be released by the CDFI Fund in approximately late 2028 (NMTC updated census tracts). The 2016-2020 NMTC tracts are anticipated to remain eligible locations for the § 30C credit through 2029, after which the NMTC updated census tracts would provide the determination of low-income community census tracts. After the NMTC updated census tracts are released, the Treasury Department and the IRS anticipate providing guidance reflecting the updated set of low-income community census tracts.

.06 Potential Update for Non-urban Census Tracts. The Census Bureau released the 2020 determinations of urban areas in 2023; therefore, the Treasury Department and the IRS anticipate that the 2030 determinations of urban areas may not be released until 2033. In the event that the Census Bureau releases the determinations of the 2030 urban areas earlier than January 1, 2033, the Treasury Department and the IRS anticipate providing guidance reflecting the updated set of non-urban census tracts. Until that time, taxpayers should use the 2020 non-urban census tracts to determine eligibility for the § 30C credit.

SECTION 5. DETERMINING WHETHER A PROPERTY IS LOCATED IN AN ELIGIBLE CENSUS TRACT

.01 Eligible Census Tracts.

(1) Appendix A lists the eligible low-income community census tracts using the

(2) Qualified alternative fuel refueling property placed in service after December 31, 2022, and before January 1, 2025, will be considered placed in service in an eligible census tract, and thus eligible for the § 30C credit, if the 11-digit census tract GEOID for the population census tract in which it is placed in service is listed in the applicable appendix, either Appendix A or Appendix B.

(3) Qualified alternative fuel refueling property placed in service after December 31, 2024, and before January 1, 2030, will be considered placed in service in an eligible census tract, and thus eligible for the § 30C credit, if the 11-digit census tract GEOID for the population census tract in which it is placed in service is listed in Appendix B.

(4) The latitude and longitude of an eligible property may provide a different 11-digit census tract GEOID under the 2015 and 2020 census tract boundaries. In such cases, a location is only in an eligible census tract if the relevant 11-digit census tract GEOID is listed in the appendix specific to the relevant census tract boundary year. Thus, in such cases, a location is only in an eligible census tract if its 11-digit census tract GEOID under the 2015 tract boundaries is listed in Appendix A. Similarly, in such cases, a location is only in an eligible census tract if its 11-digit census tract GEOID
under the 2020 boundaries is listed in Appendix B.

.02 Determining 11-digit census tract GEOID for properties placed in service before January 1, 2030.

(1) The population census tract boundaries are pertinent for taxpayers in identifying the relevant 11-digit census tract GEOID. For property placed in service after December 31, 2022, and before January 1, 2025, both the 2015 census tract boundaries and the 2020 census tract boundaries are relevant. For property placed in service on or after January 1, 2025, and before January 1, 2030, only the 2020 census tract boundaries are relevant. As noted above, the latitude and longitude of an eligible property may provide a different 11-digit census tract GEOID under the 2015 and 2020 census tract boundaries.

(2) Taxpayers can determine the 11-digit census tract GEOID of a location under the 2015 census tract boundaries by using the CDFI mapping tool available via https://www.cdfifund.gov/cims.7

(3) Taxpayers can determine the 11-digit census tract GEOID of a location under the 2020 census tract boundaries using the Census Geocoder, available via https://geocoding.geo.census.gov/geocoder/geographies/address?form or of a latitude and longitude point at https://geocoding.geo.census.gov/geocoder/geographies/coordinates?form.8

7 On that page, choose “CDFI,” which should take the user to a page titled “CDFI Public Viewer.” In the left-hand side column, choose “Layers.” Under “CIMS Layers,” put a checkmark in the box next to “2015 CDFI Tract” and remove all checkboxes from other CIMS Layers. Specifically, uncheck the “2020 CDFI Tract” box. Type in your address or latitude and longitude in the “Search Addresses” bar at the top. This will take you to the tract of the location you entered. If you left click your mouse, the 11-digit population census tract identifier (that is, the GEOID) will appear.

8 In the “Benchmark” drop-down menu, choose “Public_AR_Census2020.” In the “Vintage” drop-down
.03 Reliance. Until the issuance of the forthcoming proposed regulations, taxpayers may rely on this notice and its appendices for purposes of determining whether qualified alternative fuel vehicle property has been placed in service in an eligible census tract. In addition, until the issuance of the forthcoming proposed regulations, the IRS will administer § 30C in a manner consistent with the appendices and related rules described in this notice.

SECTION 6. CONTACT INFORMATION

The principal author of this notice is the Office of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice contact the Office of Associate Chief Counsel (Passthroughs & Special Industries) at (202) 317-6853 (not a toll-free call).

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menu, choose “Census2020_Current.” The 11-digit population census tract identifier is in the GEOID under “Census Tracts.” Further instructions to use the Census Geocoder are available via https://www2.census.gov/data/api-documentation/Address%20Search%20-%20Geocoder%20and%20TIGERweb/How%20to%20Find%20Geo%20Info%20from%20Address.pdf.