



Credit for **Commercial Clean Vehicles**

What is the credit for **commercial clean vehicles**?



If you are interested in claiming the commercial clean vehicle credit for purchasing a commercial clean vehicle or vehicles, beginning in 2023, a tax credit is available for each qualifying commercial clean vehicle purchased each year through Dec. 31, 2032.

Here is what you should know:

- The credit is available for businesses and certain tax-exempt entities; tax-exempt entities can receive the credit as an elective payment.
- There is no price limit on the cost of the commercial vehicle.
- No commercial clean vehicle credit will be allowed if a taxpayer already claimed the new clean vehicle credit for the same vehicle.
- The vehicle manufacturer must be a Qualified Manufacturer. A *Qualified Manufacturers* list is on IRS.gov

What is the **amount** of the credit?

- The maximum credit amount is **\$7,500** per vehicle with a gross weight rating of less than 14,000 pounds or **\$40,000** for all other vehicles.
- The credit is limited to the lesser of 15% of the vehicle's cost (30% for vehicles not gasoline or diesel powered) or the incremental cost of the vehicle, as compared to vehicles powered with a gasoline or diesel internal combustion engine.

What **commercial vehicles** qualify for the credit?

To qualify, a vehicle must be subject to a depreciation allowance, with an exception for vehicles placed in service by a tax-exempt organization and not subject to a lease.

- Vehicle Type: Clean vehicles and mobile machinery
- Battery: Vehicles that have a battery capacity of at least 7 kilowatt hours or 15 kilowatt hours for vehicles with a gross vehicle weight rating of 14,000 pounds or more, or a fuel cell vehicle (hybrid vehicles).

WWW.IRS.GOV/CLEANVEHICLES

