Businesses and the Alternative Fuel Vehicle Refueling Property Credit

This credit, as amended by the Inflation Reduction Act of 2022 and described in this document, applies to eligible property placed in service beginning January 1, 2023, through December 31, 2032.

Businesses may install electric vehicle charging and clean fuel refueling property to meet energy transition goals, support clean vehicle fleets, save money on refueling costs, or generate revenue. This tax credit can offset some of the costs associated with the purchase and installation of qualified refueling and recharging equipment.

What is the § 30C Alternative Fuel Vehicle Refueling Property Credit?

If your business installs qualified vehicle refueling or recharging property, including electric vehicle charging equipment, it may be eligible for the Alternative Fuel Vehicle Refueling Property Tax Credit.

How much is the credit for a single item of qualified refueling or recharging property?

- 6% of the cost including labor, up to a maximum of $100,000 per item of property; or
- 30% of the cost including labor *if* prevailing wage and apprenticeship (PWA) requirements are met, up to a maximum of $100,000 per item of property.
- The per item limit includes certain property associated with the single item(s) if it is directly attributable and traceable to the single item(s), such as a pedestal.

What refueling property qualifies?

To qualify, your business must install property used to (1) recharge electric motor vehicles (including certain electrical energy storage technology) or (2) store or dispense clean-burning fuel (such as hydrogen fuel for fuel cell vehicles).[1] In addition, the property must:

- be placed in service during the tax year,
- have original use that began with the taxpayer,
- be depreciable property, and
- be placed in service in an eligible census tract.

How do I find out if my business or investment property is in an eligible census tract?

Your business' refueling property must be placed in service in an eligible low-income community census tract or non-urban census tract. Approximately **two-thirds** of Americans are in eligible census tracts.

To determine if your business or investment property is in an eligible census tract

In general:

- Determine your 11-digit census tract geographic identifier (GEOID) under the 2020 census tract boundaries by using the **Census Bureau mapping tool**.[2]
- See if your identified 2020 GEOID is included in the IRS-provided list here: **Appendix B**.

If your recharging or refueling property is placed in service prior to January 1, 2025, in addition to the directions above, you may alternatively:

- Determine your 11-digit census tract geographic identifier (GEOID) under the 2015 census tract boundaries by using the **Census Bureau mapping tool**.
- See if your identified GEOID under the 2015 census tract boundaries is included in the IRS-provided list here: **Appendix A**.[3]

The IRS will periodically publish lists of specific census tracts that meet the requirements, along with instructions on how taxpayers may determine their census tract identifying numbers, in the Federal Register or Internal Revenue Bulletin.

1 To see further details on what is considered a § 30C eligible clean burning fuel, visit **irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit**.
2 Eligible census tracts are described in **Notice 2024-20** as modified by **Notice 2024-64**.
3 You may also use the Department of Energy's Argonne National Laboratory mapping tool to help determine if your business's property is located within an eligible census tract (regardless of if your recharging or refueling property is placed in service before or after January 1, 2025). However, it should be viewed as a tool and cannot be relied upon as tax guidance. See the tool here: **anl.gov/esia/refueling-infrastructure-tax-credit**.

How do I calculate how much of a credit my business is eligible for?

The credit for each single item of § 30C property equals the applicable percentage (6% or 30% when PWA requirements are met) multiplied by the sum of the following:

1. the cost of the single item of § 30C property (a charging port, fuel dispenser, or storage property);
2. the cost of the associated property that is directly attributable and traceable to the single item of § 30C property (e.g., a pedestal that directly supports a charging port or conduit and wiring necessary for installation); and
3. the cost of the ratable share of associated property that is directly attributable and traceable to multiple single items of § 30C property, if any (e.g., if a new electrical panel for the charging property, which supports only the charging property, costs $1,000 and supports two charging ports, the ratable share is $500 per charging port).

In considering your business' electric vehicle charging or clean fuel infrastructure project, it is important to understand the IRA's PWA **requirements** during the construction of a project, because projects that meet these requirements are eligible for a higher credit amount.

Example: A business has a fleet of medium-duty electric delivery vans. To recharge them, they install 20 direct current fast chargers (DCFCs) with 2 charging ports each for a total of 40 charging ports. Each DCFC costs $30,000. They also install a $1,000 pedestal to support each DCFC, electric panel and conduit/wiring, which together cost $50,000, and a $25,000 smart charge management system.

- The single property item is each of the 40 charging ports ($15,000 each).
- The associated property that is directly attributable and traceable to the single property item is the 20 pedestals ($500 per charging port).
- The associated property that is directly attributable and traceable to multiple property items is the electric panel and wiring ($1,250 per charging port)[4] and the smart charge management system ($625 per charging port).
- **If PWA requirements are met**, 30% of the sum of these items is a credit value of $5,212.50, well under the $100,000 limit, so the credit is not reduced. This means that for all 40 charging ports (single items of § 30C property), the business would receive a total credit of $208,500.
- **Compare this with if the business did not meet PWA requirements:** Using the 6% credit rate, the business would receive a $1,042.50 tax credit per charging port, or $41,700 for all 40 charging ports.

How does my business receive the credit?

1. Confirm that your business or investment property in an eligible census tract as of the placed-in-service date.
2. Install and place in service your alternative fuel vehicle refueling property.
3. Keep all documentation, including contracts or receipts verifying your investment and any associated labor costs for construction and installation. Be sure to maintain documentation about whether the installation met prevailing wage and apprenticeship requirements.
4. Fill out and submit Form 8911 using your documentation and file it with your income tax return for the year in which your property was installed and placed in service.

Related Resources

- **Alternative Fuel Vehicle Refueling Property Credit FAQs**
- **Form 8911 Alternative Fuel Vehicle Refueling Property Credit**
- **Prevailing wage and apprenticeship requirements**
- **Individuals, Electric Charing Vehicles, and the Alternative Fuel Vehicle Refueling Property Credit**
- **Tax-Exempt Entities and the Alternative Fuel Vehicle Refueling Property Credit**

4 If the electric panel and conduit/wiring serve more than just the charger, some or all of those costs may be excluded.