



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

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The Honorable Richard G. Lugar  
United States Senate  
Washington, DC 20510

Attention:

Dear Senator Lugar:

Thank you for your letter dated October 27, 2009, on behalf of your constituents, \_\_\_\_\_ wrote about reports in the media that an electric golf cart qualifies for a tax rebate in excess of \$5000 and that the law does not limit the number of golf carts a person can purchase.

Electric golf carts do not qualify for a tax credit. Taxpayers can take a credit for the purchase of new qualified plug-in electric drive motor vehicles. (Section 30D of the Internal Revenue Code). One of the requirements that a vehicle must meet to be eligible for the credit, is that the vehicle be manufactured primarily for use on public streets. Thus a "golf cart," which is manufactured primarily for off-road use, such as on a golf course, is not eligible for the 30D credit. Another requirement is that the vehicle be able to reach a speed of 20 miles per hour on level pavement. Most golf carts cannot attain that speed. Media reports describing a tax credit for purchasers of golf carts are erroneous.

Notice 2009-54 provides a mechanism for manufacturers to certify that a particular make, model, and model year vehicle meets the requirements of section 30D. A manufacturer who chooses to certify a vehicle must certify, under penalties of perjury, that the vehicle meets all of the requirements of section 30D. In particular, the manufacturer must certify both that the vehicle is manufactured primarily for use on public streets, and that the vehicle is not manufactured for off-road use, such as on a golf course. After a manufacturer makes all the necessary certifications, we issue a letter acknowledging these certifications, and a buyer can rely on the manufacturer's certification in purchasing the vehicle and taking the credit. If the media reports your constituent referred to concern vehicles that manufacturers have certified as satisfying section 30D, either the media reports are erroneous in describing the vehicles as golf carts or the manufacturers have improperly certified that the vehicles satisfy the requirements of section 30D. If the media reports refer to vehicles that their

manufacturers have not certified as satisfying the requirements of section 30D, the media reports are erroneous either in describing the vehicles as golf carts or in stating that purchasers of the vehicles are entitled to the credit.

While we have not ruled on any aspect of the section 30D credit, the section does not limit either the number of vehicles a taxpayer may purchase, or to the amount of credit that a taxpayer may report as a consequence of the purchase of these vehicles. However, the credit is not refundable and the taxpayer may not claim it in any taxable year other than the one in which the taxpayer places the vehicle in service. Thus, the taxpayer may only receive a benefit to the extent of his or her income tax liability in the year in which the vehicle is placed in service.

I hope this information is helpful in responding to . As you requested, I am replying in duplicate and returning the enclosure. Please contact me at if I can be of further assistance.

Sincerely,

Charles B. Ramsey  
Branch Chief, Branch 6  
(Passthroughs & Special Industries)

Enclosures: (2)