



Plug-In Electric Drive Vehicle Credit (IRC 30D)

Internal Revenue Code Section 30D provides a credit for Qualified Plug-in Electric Drive Motor Vehicles including passenger vehicles and light trucks.

For vehicles acquired after December 31, 2009, the credit is equal to \$2,500 plus, for a vehicle which draws propulsion energy from a battery with at least 5 kilowatt hours of capacity, \$417, plus an additional \$417 for each kilowatt hour of battery capacity in excess of 5 kilowatt hours. The total amount of the credit allowed for a vehicle is limited to \$7,500.

The credit begins to phase out for a manufacturer's vehicles when at least 200,000 qualifying vehicles have been sold for use in the United States (determined on a cumulative basis for sales after December 31, 2009). For additional information see [Notice 2009-89](#).

Section 30D originally was enacted in the Energy Improvement and Extension Act of 2008. The American Recovery and Reinvestment Act of 2009 amended section 30D effective for vehicles acquired after December 31, 2009. Section 30D was also modified by the American Taxpayer Relief Act (ATRA) 2013 for certain 2 or 3 wheeled vehicles acquired after December 31, 2011 and before January 1, 2014.

The vehicles must be acquired for use or lease and not for resale. Additionally, the original use of the vehicle must commence with the taxpayer and the vehicle must be used predominantly in the United States. For purposes of the 30D credit, a vehicle is not considered acquired prior to the time when title to the vehicle passes to the taxpayer under state law.

[Notice 2009-89](#) applies to vehicles acquired subsequent to December 31, 2009 and provides procedures that a vehicle manufacturer may use if it chooses to certify that a vehicle meets certain requirements that must be satisfied to claim the Qualified Plug-in Electric Drive Motor Vehicle Credit and the amount of the credit allowable with respect to that vehicle

[Credit Amounts for Qualified Vehicles Acquired After December 31, 2009](#)

Qualified Plug-In Electric Drive Motor Vehicle Credit (IRC 30D) Phase Out

The qualified plug-in electric drive motor vehicle credit phases out for a manufacturer's vehicles over the one-year period beginning with the second calendar quarter after the calendar quarter in which at least 200,000 qualifying vehicles manufactured by that manufacturer have been sold for use in the United States (determined on a cumulative basis for sales after December 31, 2009) ("phase-out period"). Qualifying vehicles manufactured

by that manufacturer are eligible for 50 percent of the credit if acquired in the first two quarters of the phase-out period and 25 percent of the credit if acquired in the third or fourth quarter of the phase-out period. Vehicles manufactured by that manufacturer are not eligible for a credit if acquired after the phase-out period.

[Quarterly Sales by Manufacturer](#)

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