

**Tax Credit for Alternative Fuel Vehicle Refueling Property
as Modified and Extended by Sec. 13404 of the Inflation Reduction Act of 2022
(P.L. 117-169; 8/16/22)**

§30C - Alternative fuel vehicle refueling property credit

- (a) CREDIT ALLOWED There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent (6 percent in the case of property of a character subject to depreciation) of the cost of any qualified alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year.
- (b) LIMITATION The credit allowed under subsection (a) with respect to ~~all~~any single item of qualified alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year ~~at a location~~ shall not exceed—
- (1) ~~\$3100,000~~ in the case of any such item of property of a character subject to an allowance for depreciation, and
 - (2) \$1,000 in any other case.
- (c) QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY For purposes of this section ~~—,~~
- (1) IN GENERAL—~~†~~The term “qualified alternative fuel vehicle refueling property” has the same meaning as the term “qualified clean-fuel vehicle refueling property” would have under section 179A if—
- ~~(1A)~~ paragraph (1) of section 179A(d) did not apply to property installed on property which is used as the principal residence (within the meaning of section 121) of the taxpayer, and
- ~~(B2)~~ only the following were treated as clean-burning fuels for purposes of section 179A(d):
- ~~(A)~~ Any fuel at least 85 percent of the volume of which consists of one or more of the following: ethanol, natural gas, compressed natural gas, liquified natural gas, liquified petroleum gas, or hydrogen.
 - ~~(B)~~ Any mixture—
 - ~~(i)~~ which consists of two or more of the following: biodiesel (as defined in section 40A(d)(1)), diesel fuel (as defined in section 4083(a)(3)), or kerosene, and
 - ~~(ii)~~ at least 20 percent of the volume of which consists of biodiesel (as so defined) determined without regard to any kerosene in such mixture.
 - ~~(iii)~~ Electricity.
 - (iv) Any transportation fuel (as defined in section 45Z(d)(5)).

(2) BIDIRECTIONAL CHARGING EQUIPMENT—Property shall not fail to be treated as qualified alternative fuel vehicle refueling property solely because such property—

(A) is capable of charging the battery of a motor vehicle propelled by electricity, and

(B) allows discharging electricity from such battery to an electric load external to such motor vehicle.

(3) PROPERTY REQUIRED TO BE LOCATED IN ELIGIBLE CENSUS TRACTS—

(A) IN GENERAL—Property shall not be treated as qualified alternative fuel vehicle refueling property unless such property is placed in service in an eligible census tract.

(B) ELIGIBLE CENSUS TRACT—

(i) IN GENERAL—For purposes of this paragraph, the term “eligible census tract” means any population census tract which—

(I) is described in section 45D(e), or

(II) is not an urban area.

(ii) URBAN AREA—For purposes of clause (i)(II), the term “urban area” means a census tract (as defined by the Bureau of the Census) which, according to the most recent decennial census, has been designated as an urban area by the Secretary of Commerce.

(d) APPLICATION WITH OTHER CREDITS

(1) BUSINESS CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT So much of the credit which would be allowed under subsection (a) for any taxable year (determined without regard to this subsection) that is attributable to property of a character subject to an allowance for depreciation shall be treated as a credit listed in section 38(b) for such taxable year (and not allowed under subsection (a)).

(2) PERSONAL CREDIT The credit allowed under subsection (a) (after the application of paragraph (1)) for any taxable year shall not exceed the excess (if any) of—

(A) the regular tax liability (as defined in section 26(b)) reduced by the sum of the credits allowable under subpart A and section 27, over

(B) the tentative minimum tax for the taxable year.

(e) SPECIAL RULES For purposes of this section—

(1) REDUCTION IN BASIS For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (d)).

(2) PROPERTY USED BY TAX-EXEMPT ENTITY In the case of any qualified alternative fuel vehicle refueling property the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such property to the person or entity

using such property shall be treated as the taxpayer that placed such property in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such property (determined without regard to subsection (d)). For purposes of subsection (d), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.

- (3) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.
- (4) ELECTION NOT TO TAKE CREDIT No credit shall be allowed under subsection (a) for any property if the taxpayer elects not to have this section apply to such property.
- (5) RECAPTURE RULES Rules similar to the rules of section 179A(e)(4) shall apply.
- (6) REFERENCE For purposes of this section, any reference to section 179A shall be treated as a reference to such section as in effect immediately before its repeal.

(f) SPECIAL RULE FOR ELECTRIC CHARGING STATIONS FOR CERTAIN VEHICLES WITH 2 OR 3 WHEELS—For purposes of this section—

(1) IN GENERAL—The term “qualified alternative fuel vehicle refueling property” includes any property described in subsection (c) for the recharging of a motor vehicle described in paragraph (2), but only if such property—

(A) meets the requirements of subsection (a)(2), and

(B) is of a character subject to depreciation.

(2) MOTOR VEHICLE—A motor vehicle is described in this paragraph if the motor vehicle—

(A) is manufactured primarily for use on public streets, roads, or highways (not including a vehicle operated exclusively on a rail or rails),

(B) has 2 or 3 wheels, and

(C) is propelled by electricity.

(g) WAGE AND APPRENTICESHIP REQUIREMENTS—

(1) INCREASED CREDIT AMOUNT—

(A) IN GENERAL— In the case of any qualified alternative fuel vehicle refueling project which satisfies the requirements of subparagraph (C), the amount of the credit determined under subsection (a) for any qualified alternative fuel vehicle refueling property of a character subject to an allowance for depreciation which is part of such project shall be equal to such amount (determined without regard to this sentence) multiplied by 5.

(B) QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROJECT— For purposes of this subsection, the term “qualified alternative fuel vehicle refueling project” means a project consisting of one or more properties that are part of a single project.

(C) PROJECT REQUIREMENTS— A project meets the requirements of this subparagraph if it is one of the following:

(i) A project the construction of which begins prior to the date that is 60 days after the Secretary publishes guidance with respect to the requirements of paragraphs (2)(A) and (3).

(ii) A project which satisfies the requirements of paragraphs (2)(A) and (3).

(2) PREVAILING WAGE REQUIREMENTS—

(A) IN GENERAL— The requirements described in this subparagraph with respect to any qualified alternative fuel vehicle refueling project are that the taxpayer shall ensure that any laborers and mechanics employed by the taxpayer or any contractor or subcontractor in the construction of any qualified alternative fuel vehicle refueling property which is part of such project shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality in which such project is located as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS—Rules similar to the rules of section 45(b)(7)(B) shall apply.

(3) APPRENTICESHIP REQUIREMENTS—Rules similar to the rules of section 45(b)(8) shall apply.

(4) REGULATIONS AND GUIDANCE— The Secretary shall issue such regulations or other guidance as the Secretary determines necessary to carry out the purposes of this subsection, including regulations or other guidance which provides for requirements for recordkeeping or information reporting for purposes of administering the requirements of this subsection.

(h) REGULATIONS The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

(i) TERMINATION This section shall not apply to any property placed in service after December 31, 20~~21~~²².

Effective Date: Generally, the changes apply to property placed in service after 12/31/22. The change to what is now (i) applies to property placed in service after 12/31/21. Thus, the credit as it existed before change by the Inflation Reduction Act, was extended for 2022.

Compliance: This credit is claimed on [Form 8911, Alternative Fuel Vehicle Refueling Property Credit](#), which will be modified starting in 2022 to reflect the changes made by IRA 2022. The instructions state that any credit attributable to depreciable property is a general business credit while any credit not attributable to depreciable property is a personal credit.

Census Tract Information: A new requirement for “qualified alternative fuel vehicle refueling property” at §30C(c) is that the property must be placed in service in an “eligible census tract” at defined at §45D(e); the text of this subsection follows: [§45D addresses the new markets tax credit]

§45D(e) LOW-INCOME COMMUNITY For purposes of this section—

- (1) IN GENERAL The term “low-income community” means any population census tract if—
 - (A) the poverty rate for such tract is at least 20 percent, or
 - (B)
 - (i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or
 - (ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

Subparagraph (B) shall be applied using possessionwide median family income in the case of census tracts located within a possession of the United States.
- (2) TARGETED POPULATIONS The Secretary shall prescribe regulations under which 1 or more targeted populations (within the meaning of section 103(20) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702(20))) may be treated as low-income communities. Such regulations shall include procedures for determining which entities are qualified active low-income community businesses with respect to such populations.
- (3) AREAS NOT WITHIN CENSUS TRACTS In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates and median family income.
- (4) TRACTS WITH LOW POPULATION A population census tract with a population of less than 2,000 shall be treated as a low-income community for purposes of this section if such tract—
 - (A) is within an empowerment zone the designation of which is in effect under section 1391, and
 - (B) is contiguous to 1 or more low-income communities (determined without regard to this paragraph).
- (5) MODIFICATION OF INCOME REQUIREMENT FOR CENSUS TRACTS WITHIN HIGH MIGRATION RURAL COUNTIES
 - (A) In general In the case of a population census tract located within a high migration rural county, paragraph (1)(B)(i) shall be applied by substituting “85 percent” for “80 percent”.
 - (B) High migration rural county For purposes of this paragraph, the term “high migration rural county” means any county which, during the 20-year period ending with the year in which the most recent census was conducted, has a net out-migration of inhabitants from the county of at least 10 percent of the population of the county at the beginning of such period.

Wage and Apprenticeship Requirements: These are new requirements and have been included in some form in several of the energy credits modified by IRA 2022. They might be a

requirement for the credit or allow for a larger credit if met. See the new provisions referenced above.