



Tax-Exempt Entities and the Alternative Fuel Vehicle Refueling Property Credit¹

Tax-exempt and governmental entities, such as states, Tribes, religious organizations, and non-profits may install electric vehicle charging and clean fuel infrastructure to meet energy transition goals, support clean vehicle fleets, or save money on refueling costs. This tax credit reduces the costs associated with such refueling and recharging equipment and installation.

How can a tax-exempt entity utilize the § 30C Alternative Fuel Vehicle Refueling Property Credit?

Eligible tax-exempt and governmental entities can claim the § 30C Alternative Fuel Vehicle Refueling Property Credit for qualified property, including electric vehicle charging equipment, through a new mechanism called [elective pay](#)² (also known as “direct pay”).

How much is the credit for a single item of qualified refueling 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 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 or an electrical panel.

What refueling property qualifies?

To qualify, an entity 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). In addition, the property must:

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

Who claims the credit – the seller or my organization?

Your organization or the seller installing the property could claim the credit, and the choice is up to you to determine which path is more beneficial. In order to claim the credit yourself, you must notify the seller in writing that you intend to claim the credit via elective pay. Otherwise, the seller can claim the credit if they clearly disclose to you the amount of the credit allowable. If the seller will claim the credit, they may be willing to install the eligible property at a lower upfront cost to you (by passing tax savings to your organization).

How do I find out if my tax-exempt entity’s property is in an eligible census tract?

Your entity’s 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.

1. The information in this document pertains to eligible property placed in service beginning January 1, 2023, through December 31, 2032.

2. Elective Pay: irs.gov/electivepay



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How do I find out if my tax-exempt entity's property is in an eligible census tract? (Cont'd)

To determine if your entity's property is in an eligible census tract:

- If filing on or before November 15, 2024:
 - learn more by using the Department of Energy's map of eligible locations established in [Notice 2024-20](#)³ to determine if the property is located within an eligible census tract. See the mapping tool here: anl.gov/esia/refueling-infrastructure-tax-credit.
- If filing after November 15, 2024:
 - determine your 11-digit census tract geographic identifier (GEOID) under the 2020 census tract boundaries by using the Census Bureau mapping tool available here: census.gov/data/data-tools/2020-census-tract.html.
 - see if your identified GEOID is included in the IRS-provided list here: irs.gov/pub/irs-drop/appendix-b-list-of-2020-census-tract-boundary-30c-eligible-tracts-v2-1-4-2024.pdf.⁴

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.

How do I calculate how much of a credit my entity 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); 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 costs \$1,000 and supports two charging ports, the ratable share is \$500 per charging port).

If your entity plans to claim the § 30C credit, it is important to understand the IRA's prevailing wage and apprenticeship [requirements](#)⁵ during the construction of a project, as the potential for an increased credit amount grows with the size of the project.

3. IRS Form 8911: irs.gov/pub/irs-pdf/f8911.pdf

4. If your entity's refueling property is placed in service prior to January 1, 2025, you may also determine your 11-digit GEOID under the 2015 census tract boundaries here: census.gov/data/data-tools/2015-census-tract.html. If you use the 2015 census tract boundaries, see if your 2015 GEOID is eligible in the IRS-provided list here: irs.gov/pub/irs-drop/appendix-a-list-of-2015-census-tract-boundary-30c-eligible-tracts-v2-1-4-2024.pdf.

5. Prevailing wage and apprenticeship requirements: irs.gov/pwa



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How do I calculate how much of a credit my entity is eligible for? (Cont'd)

Example: A school system is getting a new fleet of electric school buses. To acquire charging infrastructure for the buses, they engage with a private contractor that builds and owns electric charging property to then sell to the school system. The school system notifies the contractor of their intent to make an elective payment claim. They install 30 direct current fast chargers (DCFCs) with 2 charging ports each for a total of 60 charging ports. Each DCFC costs \$50,000. They also install a \$2,000 pedestal to support each DCFC, electric panel and conduit/wiring, which together cost \$50,000, and a \$40,000 smart charge management system. In this case:

- The single property item is each of the 60 charging ports (\$25,000 each).
- The associated property that is directly attributable and traceable to the single property item is the 30 pedestals (\$1,000 per charging port).
- The associated property that is directly attributable and traceable to multiple property items is the electric panel and conduit/wiring (\$833.33 per charging port) and the smart charge management system (\$666.67 per charging port).
- **If PWA requirements are met**, 30% of the sum of these items is a credit value of \$8,250, well under the \$100,000 limit so the credit is not reduced. Therefore, for all 60 charging ports (single items of § 30C property), the school system would receive a total credit of \$495,000.
- **Compare this with if the city did not meet PWA requirements:** Using the 6% credit rate, the school system would receive a \$1,650 tax credit per charging port, or \$99,000 for all 60.

How does my entity receive the credit?

1. Confirm that your entity's property is 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. Determine whether you would like to make an elective pay claim. If you do, notify the seller in writing, and proceed with the following steps.
4. 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.
5. Once your entity's project is placed in service, complete pre-filing registration with the IRS. Upon completion, your entity will receive a registration number from the IRS to use on your tax return as part of making the elective pay selection. To learn more about registration, visit: irs.gov/credits-deductions/register-for-elective-payment-or-transfer-of-credits.
6. Fill out and submit [IRS Form 8911](https://www.irs.gov/efv)⁶ using your documentation and file it with your tax return for the year in which your property was installed and placed in service.

Related Resources

- Treasury IRA Tax Guidance: [treasury.gov/ira-taxguidance](https://www.treasury.gov/ira-taxguidance)
- IRS Alternative Fuel Vehicle Refueling Property Credit: [irs.gov/cleanenergy30c](https://www.irs.gov/cleanenergy30c)

6. IRS Form 8911: [irs.gov/pub/irs-pdf/f8911.pdf](https://www.irs.gov/pub/irs-pdf/f8911.pdf)