



[CLICK HERE](#) to return to the home page

## **Internal Revenue Code Section 45W(e)**

### **Credit for qualified commercial clean vehicles**

(a) In general.

For purposes of section 38 , the qualified commercial clean vehicle credit for any taxable year is an amount equal to the sum of the credit amounts determined under subsection (b) with respect to each qualified commercial clean vehicle placed in service by the taxpayer during the taxable year.

(b) Per vehicle amount.

(1) In general.

Subject to paragraph (4) , the amount determined under this subsection with respect to any qualified commercial clean vehicle shall be equal to the lesser of-

(A) 15 percent of the basis of such vehicle (30 percent in the case of a vehicle not powered by a gasoline or diesel internal combustion engine), or

(B) the incremental cost of such vehicle.

(2) Incremental cost.

For purposes of paragraph (1)(B) , the incremental cost of any qualified commercial clean vehicle is an amount equal to the excess of the purchase price for such vehicle over such price of a comparable vehicle.

(3) Comparable vehicle.

For purposes of this subsection, the term "comparable vehicle" means, with respect to any qualified commercial clean vehicle, any vehicle which is powered solely by a gasoline or diesel internal combustion engine and which is comparable in size and use to such vehicle.

(4) Limitation.

The amount determined under this subsection with respect to any qualified commercial clean vehicle shall not exceed-

(A) in the case of a vehicle which has a gross vehicle weight rating of less than 14,000 pounds, \$7,500, and

(B) in the case of a vehicle not described in subparagraph (A) , \$40,000.

(c) Qualified Commercial Clean Vehicle.

For purposes of this section, the term "qualified commercial clean vehicle" means any vehicle which-

(1) meets the requirements of section 30D(d)(1)(C) and is acquired for use or lease by the taxpayer and not for resale,

- (2) either-
- (A) meets the requirements of subparagraph (D) of section 30D(d)(1) and is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails), or
  - (B) is mobile machinery, as defined in section 4053(8) (including vehicles that are not designed to perform a function of transporting a load over the public highways),
- (3) either-
- (A) is propelled to a significant extent by an electric motor which draws electricity from a battery which has a capacity of not less than 15 kilowatt hours (or, in the case of a vehicle which has a gross vehicle weight rating of less than 14,000 pounds, 7 kilowatt hours) and is capable of being recharged from an external source of electricity, or
  - (B) is a motor vehicle which satisfies the requirements under subparagraphs (A) and (B) of section 30B(b)(3) , and
- (4) is of a character subject to the allowance for depreciation.

(d) Special Rules.

(1) In general.

Rules similar to the rules under subsection (f) of section 30D (without regard to paragraph (10) or (11) thereof) shall apply for purposes of this section.

(2) Vehicles placed in service by tax-exempt entities.

Subsection (c)(4) shall not apply to any vehicle which is not subject to a lease and which is placed in service by a tax-exempt entity described in clause (i) , (ii) , or (iv) of section 168(h)(2)(A) .

(3) No double benefit.

No credit shall be allowed under this section with respect to any vehicle for which a credit was allowed under section 30D .

 (e) VIN number requirement.

No credit shall be determined under subsection (a) with respect to any vehicle unless the taxpayer includes the vehicle identification number of such vehicle on the return of tax for the taxable year.

(f) Regulations and guidance.

The Secretary shall issue such regulations or other guidance as the Secretary determines necessary to carry out the purposes of this section, including regulations or other guidance relating to determination of the incremental cost of any qualified commercial clean vehicle.

(g) Termination.

No credit shall be determined under this section with respect to any vehicle acquired after December 31, 2032.