

30C:

ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT



Overview



History

The 30C tax credit was first passed in 2005 as part of that year's Energy Policy Act and expired in 2021. It was then reinstated and expanded by the Inflation Reduction Act in 2022.



Purpose

30C provides a tax credit for alternative fuel vehicle refueling and charging property in low-income and rural areas. Alternative fuels include ethanol, natural gas, hydrogen, biodiesel, and others. Charging property includes electric vehicle supply equipment (EVSE).



Who Qualifies?

Businesses and individuals that place qualified refueling or charging property into service after December 31, 2022, and on or before December 31, 2032.



Credit Amounts

Individuals: Up to 30% of the cost of the refueling property, limited to \$1,000.

Businesses: Up to 6% of the cost of the refueling property, limited to \$100,000. The credit can increase to 30% if the business meets prevailing wage and apprenticeship requirements.



Applicable Costs

Costs covered: 30C covers the cost of the property (e.g., the EV charger) itself, as well as installation costs. This includes the cost of retrofits, permitting related to the charger or refueling apparatus, and electrical panel upgrades to accommodate an EV charger.

Costs not covered: The credit does not cover costs related to the land/structure that houses the charger or refueling station, such as permitting, construction, or engineering costs incurred by acquiring a new building or land, or remodeling a new structure.



Direct Pay and Transferability

Direct Pay: Yes

Transferability: Yes, for property used in a trade or business.



How To Claim the Credit

Partnerships and S corporations must file [Form 8911](#).

All other taxpayers do not need to file Form 8911 if their only source for the credit is a partnership or corporation. They can instead report the credit directly on line 1s of Part III of [Form 3800, General Business Credit](#).

Please note: CALSTART does not provide tax, legal, or accounting advice. This material has been prepared for informational purposes only and is not intended to provide, and should not be relied on for, tax, legal, or accounting advice. You should consult your own tax, legal, and accounting advisors before engaging in any transaction.

What Is Considered a Qualified Refueling Property?

To qualify for the credit, the property must be used to store or dispense clean-burning fuel or **to charge electric motor vehicles**. Clean-burning fuels include:

- Natural gas
- Propane
- Hydrogen
- E85
- Diesel fuel blends (minimum 20% biodiesel)

Geographic Restrictions

There are a number of requirements related to the property being located in low-income and rural areas. Qualifying census tracts must:

- Not be an urban area.
- Be a population census tract where the poverty rate is at least 20%; or
- Be a metropolitan or non-metropolitan area census tract where the median family income is less than 80% of the state median family income level. For metropolitan tracts, the income cutoff is 80% of the *greater* of the state median family income level or the metropolitan area median family income level.

You can use the Department of Energy's [mapping tool](#) to determine if your property is located in a qualifying census tract. Please note: The mapping tool reflects eligible locations for the 30C credit but is not official IRS guidance itself. This means that taxpayers cannot use the tool to corroborate a claim that their property falls within census tracts that qualify for the 30C credit. Please refer to the [IRS Notice 2024-20](#) and its [Appendix A](#) and [B](#), which list eligible census tracts, to confirm that your property falls within a qualifying tract.

***Note:** Beginning January 1, 2023, the Inflation Reduction Act expands qualified property to include charging stations for two- and three-wheeled vehicles (for use on public roads) and bidirectional charging equipment (vehicle-to-grid, or V2G).

Additional Requirements

There are a number of additional requirements a property must meet to qualify for the 30C credit, which include:

- The property must be placed in service during the applicable tax year.
- The original use of the property began with the taxpayer.
- The property is used primarily inside the United States.
- If the property is not business or investment-use property, it must be installed at a location used as a main home.



A Note on Direct Pay and Transferability

Direct Pay (aka Elective Pay) allows “applicable entities” that do not pay federal income taxes to claim clean energy tax credits. Applicable entities are tax-exempt organizations, states, and political subdivisions such as local governments, Indian tribal governments, U.S. territories and their political subdivisions, agencies and instrumentalities of state, local, tribal and U.S. territorial governments, and similar entities. To claim a clean energy tax credit through direct pay, an applicable entity would file a tax return with the IRS and claim elective pay for the full value of the credit. Since the entity does not pay federal income tax, the IRS would then make a refund payment to the entity in the amount of the credit.

Transferability allows a taxpayer that is not considered an “applicable entity” and would qualify for a clean energy credit, but not for direct pay, to transfer the tax credit to a third-party buyer in exchange for cash. This allows taxpayers to benefit from the tax credit immediately, rather than having to wait until their annual tax returns are processed, and broadens the availability of financing sources for clean energy projects.

If an entity plans to utilize elective pay or transferability to claim a tax credit, a representative from that entity needs to [register their intent to do so with the IRS](#) before filing for the credit. The IRS recommends registering no later than 120 days before filing for the credit.



Author

Developed by Jonah Kasdan. If you have any questions or comments, you can contact the author at jkasdan@calstart.org.

About CALSTART

CALSTART works with its member companies and agencies to build a high-tech clean transportation industry that creates jobs, cuts air pollution, reduces oil imports, and curbs climate change. We work with the public and private sectors to knock down barriers to innovation and progress, and drive the transportation industry to a clean and prosperous future.

For more information about the 30C credit, please visit the [IRS Alternative Fuel Vehicle Refueling Property Credit page](#).