

State of Vermont EV Incentive Program Update

FEBRUARY 22, 2023



Overview

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4. New Plug-in Vehicles
5. Replace Your Ride
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EV Incentive Overview

1. Federal Tax Credit

- a. Many changes with Inflation Reduction Act passed on 8/16
- b. New vehicles eligible for up to \$7,500; Used EV incentive started 1/1/2023 up to \$4,000
- c. Customers claim on income taxes (unless leasing); Dealer pass-through starts 1/1/2024
- d. Does not carry-over into future years

2. State of Vermont

- a. New EV incentives for income-eligible Vermonters up to \$4,000
- b. Used EV incentives for pre-approved income-eligible Vermonters up to \$5,000 through MileageSmart administered by Capstone
- c. Replace Your Ride incentives for income-eligible Vermonters at \$3,000

3. Electric Utility Incentives

- a. Vary depending on the utility, Burlington Electric, Green Mountain Power, and VPPSA offer dealer point-of-sale options

4. Efficiency Vermont Efficiency Excellence Network EV Dealer Incentives

- a. \$800 per EV sold for participating dealerships, at least half to the salesperson

Drive Electric Vermont Incentive Calculator

Electric Vehicle Incentive Calculator

This tool estimates potential incentives for electric vehicle purchases or leases, including those from electric utilities, the State of Vermont and Federal incentives. Not all eligibility factors are accounted for. See the information below and check with incentive sources to confirm your eligibility prior to purchase.

This tool is in beta. This information in this tool is based on the latest information available to Drive Electric Vermont, but actual incentive amounts may vary based on eligibility criteria. Please [let us know](#) if you encounter any issues using this tool.

Your Utility	Lyndonville Electric Departn ▼
Vehicle Type	All-Electric (new) ▼
Car Make	Nissan ▼
Tax Filing Status	Married filing jointly ▼
Adjusted Gross Income †	\$50,001 - \$75,000 ▼

† Adjusted Gross Income can be [found on your tax return](#)

Estimated [Utility Incentive](#): **\$1,000 - 1,400 ***

* Bonus of **\$400** available to income-qualified purchasers. Check your [utility's website](#) to see if you are eligible.

Estimated [State Incentive](#): **\$4,000**

Estimated [Federal Incentive](#): **\$7,500**

Estimated Total Incentive: **\$12,500 - 12,900**

Additional [automaker or dealership incentives](#) may be available. Check with your dealership to learn more.

<https://www.driveelectricvt.com/incentives>

Federal Tax Credit Issues

- Check with your OEMs on eligibility
Updated IRS rules anticipated in March will impact amount and availability
- Leasing may provide option to pass through credits
- Dealer pass through of Federal tax credits to begin Jan 2024
- Provider purchaser with report including:
 - Name and taxpayer identification number of the seller
 - Name and taxpayer identification number of the taxpayer
 - Vehicle identification number of the new clean vehicle
 - Battery capacity of the new clean vehicle
 - Verification that the taxpayer is the original user of the new clean vehicle
 - The date of the sale and the sales price of the vehicle
 - Maximum credit allowable for the new clean vehicle being sold
 - For sales after December 31, 2023, the amount of any transfer credit applied to purchase
 - A declaration under penalties of perjury from the seller



New Electric Vehicle Federal Tax Credit Eligibility Form

The Inflation Reduction Act, signed into law August 16, 2022, includes a Clean Vehicle Tax Credit, which allows eligible individuals to claim a federal tax credit for the purchase of eligible NEW electric vehicles. Under IRS rules, dealers are obligated to provide this New Electric Vehicle Federal Tax Credit Eligibility Form to purchasers of eligible electric vehicles **no later than the date of vehicle purchase**. Individuals are urged to consult with their own tax, legal or accounting professional or advisor regarding their eligibility to claim the Clean Vehicle Tax Credit, including whether their modified adjusted gross income is below the applicable thresholds (\$150,000 for a single filing taxpayer, \$225,000 for a head of household, and \$300,000 for a joint filer).

Customers that lease an eligible electric vehicle are not entitled to claim the Clean Vehicle Tax Credit.

Inflation Reduction Act / Clean Vehicle Tax Credit for New Vehicles

Yes, this vehicle qualifies for the Inflation Reduction Act / Clean Vehicle Tax Credit.¹

CUSTOMER NAME _____
CUSTOMER'S TAX ID (e.g., SSN) _____
FULL VIN _____
VEHICLE SALES PRICE \$ _____
DATE OF SALE _____
DEALERSHIP NAME _____
DEALER TAX I.D. _____
BATTERY CAPACITY 65kWh
THE ORIGINAL USE OF THIS VEHICLE COMMENCES WITH CUSTOMER.
THE MAXIMUM CLEAN VEHICLE TAX CREDIT ALLOWABLE ON THIS VEHICLE IS* \$ _____

*To confirm eligibility and maximum Clean Vehicle Tax Credit, please visit

<https://evlive.gm.com/ev-tax-credit>

No, this vehicle DOES NOT qualify for the Inflation Reduction Act / Clean Vehicle Tax Credit for New Vehicles.

Under penalties of perjury, I declare that I have examined this report submitted to the IRS pursuant to Revenue Procedure 2022-42 by (insert legal name of seller) [_____] ("Seller"), and to the best of my knowledge and belief I certify that this report is true, correct, and complete.

I declare that I have binding authority and am authorized to make and sign this declaration on behalf of Seller.

Authorized Seller Representative Signature _____

¹This vehicle qualifies as a New Clean Vehicle under the Clean Vehicle Credit found in Section 30D of the Internal Revenue Code, as enacted on August 16, 2022 as part of the Inflation Reduction Act (IRA), pending the issuance of implementing guidance from the U.S. Department of the Treasury. Your personal eligibility to claim the Section 30D tax credit depends on your own individual circumstances, including whether your adjusted gross income for the current or preceding taxable year exceeds the income thresholds contained in Section 30D. You should consult with your own tax, accounting or legal professional or advisor to confirm your eligibility for the Clean Vehicle Credit or if you have questions regarding your qualification to claim the credit. This information does not constitute tax, accounting, or legal advice.

A copy of this completed form must be provided to the customer.

State of Vermont Incentive Eligible Vehicle Models

	Make / Model	Electric Range (miles)	Total Range (miles)	Current Base MSRP	Eligible Model Year(s)	Eligibility Notes
Plug-in Hybrid Vehicles (Gasoline + Electric)						
1	Chrysler-Pacifica Hybrid	32	520	\$46,978	2017-2020	Model year 2021 Pacifica ineligible
2	Ford Escape PHEV	47	340	\$38,500	2021-2023	
3	Honda Clarity PHEV	47	340	\$33,400	2018-2021	Production ended Aug 2021
4	Hyundai Ioniq PHEV	29	630	\$26,800	2018-2021	Production ended July 2022
5	Hyundai Santa Fe PHEV	30	440	\$40,000	2022-2023	
6	Hyundai Tucson PHEV	33	420	\$37,050	2022-2023	
7	Kia Niro PHEV	26	560	\$33,740	2018-2023	
8	Kia Sportage PHEV	34	420	\$38,490	2023	
9	Mini Countryman SE All4	12	270	\$41,500	2018-2020	Model year 2021+ ineligible
10	Mitsubishi Outlander PHEV	24	310	\$39,845	2018-2023	
11	Subaru Crosstrek Hybrid	17	480	\$36,845	2019-2023	
12	Toyota Prius Prime	25	640	\$28,770	2017-2022	
13	Toyota RAV4 Prime	42	600	\$41,590	2021-2022	Orders after 6/3/2022 ineligible
All-Electric Vehicles						
14	Chevrolet Bolt	259	259	\$25,600	2017-2023	
15	Chevrolet Bolt EUV	247	247	\$27,200	2023	
16	Ford F-150 Lightning	230-320	230-320	\$51,974	2022	Model Year 2023+ ineligible; orders after 8/11/2022 ineligible
17	Ford Mustang Mach-E	224-303	224-303	\$46,895	2022	Model Year 2023+ ineligible; orders after 8/30/2022 ineligible
18	Hyundai Ioniq EV	170	170	\$33,245	2017-2021	Production ended July 2022
19	Hyundai Ioniq 5	220-303	220-303	\$41,450	2022-2023	
20	Hyundai Kona EV	258	258	\$34,000	2019-2023	
21	Kia EV6	232-310	232-310	\$48,500	2022	Model Year 2023+ ineligible; orders after 11/10/2022 ineligible
22	Kia Niro Electric	239	239	\$39,450	2019-2023	
23	Mini Cooper SE	110	110	\$34,225	2018-2023	
24	Nissan Ariya	205-304	205-304	\$43,190	2023	
25	Nissan LEAF / LEAF Plus	149-226	149-226	\$28,040	2011-2023	
26	Subaru Solterra	228	228	\$44,995	2023	
27	Toyota bZ4X	222-252	222-252	\$42,000	2023	
28	Tesla Model 3	263-353	263-353	\$43,990	N/A	Must have ordered on or before October 5, 2021 or taken delivery on or after January 13, 2023 to be eligible. MSRP was above the State's cap between those dates.
29	Volkswagen ID.4	260	260	\$37,495	2021-2023	

PHEVs with **base** MSRP of \$40,000 or less

All-Electrics with **base** MSRP of \$45,000 or less

If a base model is eligible then any sale of that model can receive a State of Vermont incentive, even if the selling price is over the base MSRP cap

Eligibility can change if an OEM raises pricing.

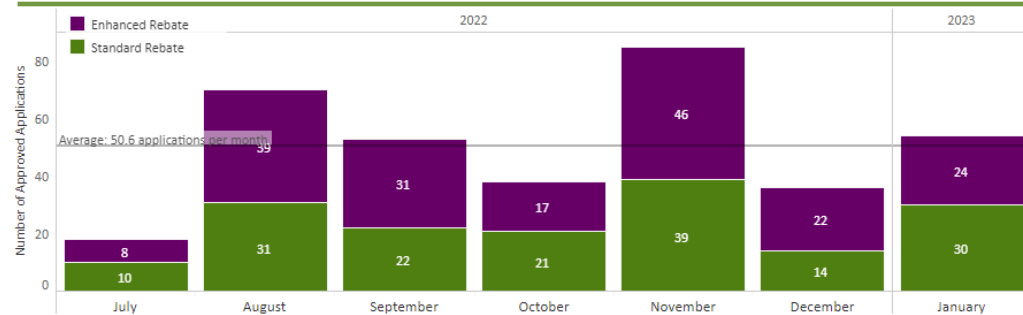
State of Vermont Incentive Incentive Eligibility & Amounts

Tax Filing Status	Adjusted Gross Income (AGI) Limits	Vermont State Incentive Amount	
		Plug-in Hybrid Electric Vehicle	All-Electric Vehicle
Individual filing as single or head of household	\$50,000 or less	\$3,000	\$4,000
	\$50,001 up to \$100,000	\$1,500	\$2,500
Married couple filing jointly	\$75,000 or less	\$3,000	\$4,000
	\$75,001 up to \$125,000	\$1,500	\$2,500
Married couple filing separately	\$50,000 or less	\$3,000	\$4,000
	\$50,001 up to \$100,000	\$1,500	\$2,500
Individual filing as qualifying widower	\$50,000 or less	\$3,000	\$4,000
	\$50,001 up to \$125,000	\$1,500	\$2,500

State of Vermont Incentive New PEV Funding Dashboard

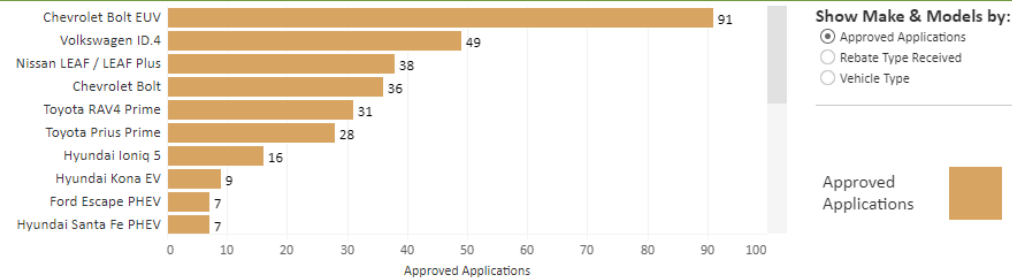
Total Approved Applications	Average Rebate	Total Funding Issued / Approved (all filters apply)	Funds Remaining (not filterable)
354	\$3,041	\$1,076,500	\$9,066,700

Approved Applications by Date Approved & Rebate Type



~ \$9 million remaining

Top PEV Make & Model



[State Incentive Electric Vehicle Sales Dashboards - Drive Electric Vermont \(driveelectricvt.com\)](https://driveelectricvt.com)

Replace Your Ride Program Overview

1. Participating Dealership Claims Only (Point-of-Sale Only)
2. \$3,000 for an eligible scrapped Internal Combustion Engine (ICE) vehicle when combined with the purchase/lease of a New or Used eligible PEV
 - The replacement vehicle being purchased must meet the guidelines and eligibility requirements of the State of Vermont Incentive Program for New Plug-in Electric Vehicles or the State of Vermont MileageSmart Program for used electric vehicles.
3. Dealership attests to scrap according to the manor prescribed
 - All scrapped vehicles must be disabled and no longer operable
4. CSE reimburses the dealership via ACH payment within 60 days of approval
5. Launched 9/14/2022
6. \$3,750,000 in funding available (~1,250 incentives)

Replace Your Ride Program Overview

Incentive Pathways – Dealership Claims Only

Scrap & Replace with a New Vehicle

1. Dealer verifies consumer eligibility at time of sale using VT driver's license number/Attestation Form
2. Dealership inspects vehicle being scrapped
3. When scrapping and replacing with a new vehicle, the \$3,000 Replace Your Ride rebate must be stacked with the [State of Vermont New PEV Program incentive application](#) (with an eligible new EV purchase).
4. Down payment reduction provided by dealer
5. Dealer submits incentive application within 15 days of sale through the [Online Submission Portal: <https://vermont.drive-electric.org>](#)
6. CSE reimburses dealer for approved incentives within 60 days by electronic transfer

Scrap & Replace with a Used Vehicle

1. Dealer verifies consumer eligibility at time of sale using VT driver's license number/Attestation Form
2. Dealership inspects vehicle being scrapped
3. When scrapping and replacing with a used vehicle, the \$3,000 Replace Your Ride rebate will only be approved if accompanied by a [MileageSmart Used EV Incentive Program Commitment Letter](#) (with an eligible used EV purchase).
4. Down payment reduction provided by dealer
5. Dealer submits incentive application within 15 days of sale through [Email: \[VermontPEV@energycenter.org\]\(mailto:VermontPEV@energycenter.org\)](#)
6. CSE reimburses dealer for approved incentives within 60 days by electronic transfer

Replace Your Ride Program Overview

Incentive Submissions– Dealership Claims Only

Scrap & Replace with a New Vehicle

Dealer submits incentive application within 15 days of sale through the [Online Submission Portal](https://vermont.drive-electric.org):
<https://vermont.drive-electric.org>

Scrap & Replace with a Used Vehicle

Dealer submits incentive application within 15 days of sale through [Email: VermontPEV@energycenter.org](mailto:VermontPEV@energycenter.org)

Requested Email Template:

Subject: RYR + Used Vehicle Incentive Submission

Body:

Dealership Name:

Used Vehicle Date of Purchase:

Attachments: Attach clean, complete copies, scans, or photos of the following:

1. Replaced Vehicle Attestation Form
2. Consumer Attestation Form
3. Copy of a current (not expired) Vermont Driver's License
4. Replaced (Scrapped) Vehicle Registration
5. Replaced (Scrapped) Vehicle Title
6. Bill of Sale (showing transfer of the replaced vehicle)
7. MileageSmart Used EV Program Commitment Letter/Email

Replace Your Ride Program Overview

Dealership Enrollment

- Dealerships already enrolled in the New PEV Program
 - Sign and submit an amended dealership agreement
- Dealerships NOT already enrolled in the New PEV Program
 - Sign and submit New PEV Program & RYR Dealership Agreement
 - Complete Online Portal Enrollment & wait for verification
 - Submit ACH Information
 - Begin submitting applications
- RYR Enrollments can be submitted to : vermontPEV@energycenter.org

State of Vermont Incentive Program Guidelines

- More details on program requirements available in the [Program Guidelines](#) document and the Drive Electric Vermont and on the [Drive Electric Website](#)

Other helpful resources:

- [Dealership Enrollment & New PEV Training](#)
- [Dealer Quick Guide for New PEV Program](#)
- Participating Dealer Agreement (available via email)



Potential State Incentive Program Changes

July 2023 or later

- Vehicle eligibility price cap increase to \$50,000 base MSRP, allowing for inflation in future years
- PHEVs with less than 20 miles of range phasing out
- Income eligibility increase, up to \$150k AGI for married joint filers
- Maximum incentive amounts may increase to \$6,000 for New PEV
- Broader eligibility for RYR, up to \$5,000
- Business fleet EV purchases eligible for State incentive up to \$2,500
- Changes require authorization from Vermont Legislature this session

[Draft Transportation Bill](#) as of 2/22/2023

State of Vermont Incentive Support

- CSE support on issues related to incentive application processing
 - vermontPEV@energycenter.org
 - 1-888-807-0446
- Drive Electric Vermont support on general issues related to EVs, charging, etc
 - info@DriveElectricVT.com
 - 1-800-685-7433



Discussion