

# Electric Vehicle (EV) Programs & Incentives for Consumers (in or after 2023)

## Federal

### Credits for (New) Clean Vehicles Purchased in 2023 or After

You may qualify for a tax credit of **up to \$7,500** (Internal Revenue Code Section 30D) if you buy a **new, qualified plug-in EV or fuel cell electric vehicle (FCV)**. This credit is available to individuals and their businesses.

#### To Qualify

- You must buy it for your own use (not for resale).
- Use it primarily in the U.S.
- Your modified adjusted gross income (AGI) may not exceed\*:
  - **\$300,000** for married couples filing jointly.
  - **\$225,000** for heads of households.
  - **\$150,000** for all other filers.

The credit is nonrefundable, so you cannot get back more on the credit than you owe in taxes. You also cannot apply any excess credit to future tax years.

*\*You can use your modified AGI from the year you take delivery of the vehicle (or the year before), whichever is less. If your modified AGI is below the threshold in one (1) of the two years, you can claim the credit.*

#### Qualifying Vehicles

To qualify, a vehicle must:

- Have a battery capacity of at least 7 kilowatt hours (kWh).
- Have a gross vehicle weight of less than 14,000lbs.
- Be made by a qualified manufacturer.
  - FCVs do not need to be made by a qualified manufacturer to be eligible (see Rev. Proc. 2022-42).
- Vehicle must undergo final assembly in North America.
  - Electric Vehicles with Final Assembly in North America
- **Must be bought new, by you.**
- Vehicle's manufacturer suggested retail price (MSRP)\* can't exceed:
  - **\$80,000** for vans, sport utility vehicles and pickup trucks
  - **\$55,000** for other vehicles

#### Additionally

- The seller must report the required vehicle and sale information to you **AND** the IRS at the time of sale.
- Sellers are required to report your name and taxpayer identification number to the IRS in order for you to be eligible to claim the credit.

*\*MSRP is the retail price of the automobile suggested by the manufacturer, including options, accessories and trim but excluding destination fees. It isn't necessarily the price you pay.*

To claim the new clean vehicle credit, file Form 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit (Including Qualified Two-Wheeled Plug-in Electric Vehicles) with your tax return. You will need to provide your vehicle's VIN.

## Credits for (Used) Clean Vehicles Purchased in 2023 or After

Starting in January 2023, you may qualify for a tax credit for buying a **previously owned (qualified) plug-in electric vehicle (EV) or fuel cell vehicle (FCV)**, including cars and light trucks (Internal Revenue Code Section 25E). This credit equals **30% of the sale price up to a maximum credit of \$4,000**.

### To Qualify

- Must buy/have bought the vehicle for use (not for resale).
- **You must not be the original owner.**
- You must not be claimed as a dependent on another person's tax return.
- You must not have claimed another used clean vehicle credit in the **3 years before the purchase date**.
- Your modified adjusted gross income (AGI) may not exceed\*:
  - **\$150,000** for married filing jointly or a surviving spouse.
  - **\$112,500** for heads of households.
  - **\$75,000** for all other filers.

*\*You can use your modified AGI from the year you take delivery of the vehicle or the year before, whichever is less. If your income is below the threshold for one (1) of the two years, you can claim the credit.*

### Qualifying Vehicles

#### To Qualify, a vehicle must:

- Have a model year at least **2 years earlier** than the calendar year when you buy it.
  - For example, a vehicle purchased in 2023 would need a model year of 2021 or older.
- Have a sale price of **\$25,000 or less**.
- Not have already been transferred after August 16, 2022, to a qualified buyer.
- Have a gross vehicle weight of less than 14,000lbs.
- Be an eligible FCV or plug-in EV with a battery capacity of least 7 kilowatt hours (kWh).
- Be for use primarily in the United States

#### The sale qualifies only if:

- You buy the vehicle from a dealer.
- **For qualified used EVs**, the dealer reports required information to you AND to the IRS at the time of sale **including**:
  - Dealer's name and taxpayer ID number.
  - Buyer's name and taxpayer ID number.
  - Sale date and sale price.
  - Maximum credit allowable under IRC 25E.
  - Vehicle identification number (VIN) (unless the vehicle is not assigned one).
  - Vehicle battery capacity.

To claim the used clean vehicle credit, complete [Form 8936: Qualified Plug-in Electric Drive Motor Vehicle Credit \(Including Qualified Two-Wheeled Plug-in Electric Vehicles and New Clean Vehicles\)](#), and file it with your tax return for the year you took possession of the vehicle. You will need to include the vehicle identification number (VIN) on the form.

## PA State

### Alternative Fuel Vehicle (AFV) Rebate

The Pennsylvania Department of Environmental Protection (DEP) AFV Program offers rebates to assist eligible residents with the cost of the purchase or lease of new or qualifying pre-owned AFVs, including:

- All-electric vehicles (EVs).
- Plug-in hybrid electric vehicles (PHEVs).
- Compressed natural gas (CNG) vehicles.
- Electric motorcycles.
- Propane vehicles.

Applicants must meet income eligibility requirements for the program and **eligible AFV purchase price must not exceed \$50,000**.

#### Rebates are available in the following amounts (new or pre-owned):

- **\$2,000** for Electric Vehicles (EVs).
- **\$1,500** for Plug-In Hybrid Vehicles (PHEVs).
- **\$500** for CNG\*, Propane, and Electric Motorcycles.

An additional rebate of **\$1,000** is available for all applicants that meet the low-income requirement, as defined by the U.S. Department of Health and Human Services.

*\*Compressed Natural Gas*

#### To Apply

- Read the [AFV Rebate instructions](#) to learn how to submit an application.
- To apply, use the [eGrants electronic application submission process](#).
- For more information, including forms and detailed requirements and restrictions, [see the DEP AFV Rebates website](#).

**Applications must be received within six months of vehicle purchase. Rebates are awarded on a first-come, first-served basis.**

All information regarding PA DEP rebates for the purchase of new and used Alternative Fuel Vehicles (AFVs) sourced from: [Alternative Fuels Data Center: Pennsylvania Laws and Incentives \(energy.gov\)](#).

## Private Utility

### PECO Electric Vehicle (EV) Rebate

PECO provides **rebates of \$50 to residential customers** who purchase a new, qualified EV. For more information, see the [PECO EVsmart](#) website.

### PECO Commercial Electric Vehicle (EV) Rebate

PECO offers rebates of **up to \$2,000** to commercial customers for the purchase and installation of Level 2 EV charging stations\*. **Projects located within environmental justice communities may receive a rebate of up to \$3,000.**

Rebates are available on a **first-come, first-served basis**, and applicants may receive **a maximum of 20 rebates per non-residential account**.

\*Recipients must share EV charging station utilization data upon request for two years after project completion. For more information, see the [PECO EVsmart website](#).