

# Electric Vehicle Financial Incentives

## Federal

The new Inflation Reduction Act has renewed federal tax credits up to \$7500 starting in January 2023 and will last until the end of 2032. Many of the details are still being worked out. Here is a current summary from [Electrek](#):

*The new credit makes quite a few changes, the largest of which is to remove the (200,000 unit) cap at the start of 2023. Now, all manufacturers have access to unlimited credits as long as they fulfill the other requirements of the bill. Also, the credit can be applied upfront at the point of sale if purchased from a dealer, rather than needing to file for it on your taxes in the following April.*

*New requirements include that the cars must be assembled in North America and that materials and "critical minerals" in the battery must come from the US or a country with a free trade agreement with the US. These requirements are intended to spur domestic manufacturing and more diverse supply chains for EV materials, which are currently heavily reliant on one country.*

*This means that we will have to wait to see which vehicles qualify for the new credit, depending on the specifics of how these thresholds are counted (and the thresholds increase year-by-year, so some cars might qualify one year and not the next). The government will release these guidelines by the end of the year.*

*Further, vehicles must have an MSRP of under \$55K for cars and \$80K for SUVs, trucks and vans, otherwise they don't count, leaving out several Tesla configurations and trucks like the USA-made Rivian. And buyers can only take advantage of the credit if they make under \$150K a year (\$300k filing jointly) – which will likely affect some of these higher-end car buyers.*

*It will even be available on used EVs, with a credit of up to \$4,000 on cars priced \$25K or less, and subject to a number of other requirements (including a lower income cap of 75k/150k).*

*All of this applies additionally to plug-in hybrids as long as they fulfill the same requirements and have a battery over 7kWh. The previous credit also applied to PHEVs depending on battery size, now they get the full credit as long as they are over the 7kWh threshold.*

However what won't take effect until January 1, 2023, are the adjusted gross income (AGI) income and MSRP caps, the start of battery sourcing requirements, the 7 kWh battery minimum, and the elimination of the 200,000 manufacturer sales cap (which meant Tesla and GM EVs did not qualify for the tax credit). The ability to convert the tax credit into a deposit or down payment at a dealer takes effect on January 1, 2024, as does a vehicle being ineligible for a credit if any of its battery components are made by a foreign entity of concern. So here is a list of EV incentives between August 16, 2022 until December 31, 2022:

| Electric Vehicles That Qualify for the IRC 30D (Federal EV Tax Credit)<br>August 16 - December 31, 2022  |         |             |   |           |
|--|---------|-------------|---|-----------|
| Make-Model   | EV Type | Country Mfg | Factory Where Produced                            | Base MSRP |
| Audi Q5 TFSI e PHEV  | PHEV    | Mexico      | San José Chiapa, Puebla, México                   | \$55,400  |
| BMW X5 xDrive 45e  | PHEV    | USA         | Spartanburg Plant, Greer, South Carolina          | \$65,400  |
| BMW 330e   | PHEV    | Mexico      | San Luis Potosí, Mexico                           | \$42,950  |
| Chrysler Pacifica Hybrid   | PHEV    | Canada      | Windsor Plant in Windsor, Ontario                 | \$46,978  |
| Ford E-Transit   | BEV     | USA         | Rouge Complex — Dearborn, Michigan                | \$46,295  |
| Ford Escape PHEV   | PHEV    | USA         | Louisville Assembly Plant                         | \$35,455  |
| Ford F-150 Lightning   | BEV     | USA         | Rouge factory in Dearborn, Michigan               | \$39,947  |
| Ford Mustang Mach-E  | BEV     | Mexico      | Cuautitlán Assembly in Cuautitlán Izcalli, Mexico | \$43,895  |
| Jeep Grand Cherokee 4xe  | PHEV    | USA         | Detroit Assembly Complex — Mack plant             | \$58,095  |
| Jeep Wrangler 4xe  | PHEV    | USA         | Toledo North Assembly Plant in Toledo, Ohio       | \$47,995  |
| Karma Revero GT  | PHEV    | USA         | Moreno Valley Plant, Moreno, CA                   | \$144,800 |
| Lincoln Aviator Grand Touring  | PHEV    | USA         | Chicago Assembly Plant, Chicago, IL               | \$68,680  |
| Lincoln Corsair Grand Touring  | PHEV    | USA         | Chicago Assembly Plant, Chicago, IL               | \$50,390  |
| Lordstown Endurance*   | BEV     | USA         | Lordstown, Ohio                                   | \$52,000  |
| Lucid Motors Air   | BEV     | USA         | Casa Grande, Arizona                              | \$154,000 |
| Mercedes-Benz EQS SUV*   | BEV     | USA         | Tuscaloosa, AL                                    | \$114,000 |
| Nissan LEAF  | BEV     | USA         | Smyrna, TN  | \$27,800  |
| Rivian R1S   | BEV     | USA         | Rivian Automotive Plant - Normal, Illinois        | \$72,500  |
| Rivian R1T   | BEV     | USA         | Rivian Automotive Plant - Normal, Illinois        | \$67,500  |
| Volkswagen ID.4**  | BEV     | USA         | Chattanooga, TN                                   | \$41,230  |
| Volvo S60 T8 Recharge PHEV   | PHEV    | USA         | Ridgeville, South Carolina                        | \$47,650  |
| Source: EVAdoption EV Model Database   *Expected in later 2022 **Volkswagen ID.4 is currently assembled in German, but production has begun at the Chattanooga, TN factory   Research & Chart: EVAdoption, LLC   August 16, 2022 |         |             |   |           |

Here is the best guess as to what the incentives will on January 1, 2023:

|                                 |       | Current US Tax Code |                           | 2022 Pending US Tax Code <sup>3</sup> |                   |                         |                               |   |  |   |
|---------------------------------|-------|---------------------|---------------------------|---------------------------------------|-------------------|-------------------------|-------------------------------|---|--|---|
|                                 |       | EV / PHEV           | Tax Credit                | Status                                | CAR<br>≤ \$55,000 | SUV/Truck<br>≤ \$80,000 | Assembled in<br>North America | 40% Battery Material<br>Clause <sup>5</sup> | 50% Battery<br>Component Clause <sup>5</sup> | Possible Rebate<br>Available <sup>5</sup> |
| Cadillac Lyriq                  | EV    | \$0                 | Exceeded Cap <sup>1</sup> | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$7,500                                   |
| Chevrolet Blazer EV (2024)      | EV    | \$0                 |                           | n/a                                   | yes               | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$7,500                                   |
| Chevrolet Bolt EUV              | EV    | \$0                 | Exceeded Cap <sup>1</sup> | n/a                                   | yes               | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$7,500                                   |
| Chevrolet Bolt EV               | EV    | \$0                 | Exceeded Cap <sup>1</sup> | yes                                   | n/a               | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$7,500                                   |
| Chevrolet Silverado EV (2024)   | EV    | \$0                 | Exceeded Cap <sup>1</sup> | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$7,500                                   |
| Tesla Model 3                   | EV    | \$0                 | Exceeded Cap <sup>1</sup> | yes <sup>2</sup>                      | n/a               | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$7,500                                   |
| Tesla Model Y                   | EV    | \$0                 | Exceeded Cap <sup>1</sup> | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$7,500                                   |
| Lexus NX450h+                   | PHEV  | \$3,750             | Ramping Down <sup>1</sup> | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$3,750                                   |
| Volvo S60 Recharge              | PHEV  | \$5,419             |                           | yes <sup>2</sup>                      | n/a               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$2,081                                   |
| BMW 330e                        | PHEV  | \$5,836             |                           | yes <sup>3</sup>                      | n/a               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$1,664                                   |
| Lincoln Aviator Plug-In Hybrid  | PHEV  | \$6,534             |                           | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$966                                     |
| Hyundai Santa Fe Plug-In Hybrid | PHEV  | \$6,587             |                           | n/a                                   | yes               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$913                                     |
| Hyundai Tucson Plug-In Hybrid   | PHEV  | \$6,587             |                           | n/a                                   | yes               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$913                                     |
| Kia Sorento Plug-In Hybrid      | PHEV  | \$6,587             |                           | n/a                                   | yes               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$913                                     |
| Audi Q5 TFSI e                  | PHEV  | \$6,712             |                           | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$788                                     |
| Ford Escape PHEV                | PHEV  | \$6,843             |                           | n/a                                   | yes               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$657                                     |
| Lincoln Corsair Grant Touring   | PHEV  | \$6,843             |                           | n/a                                   | yes               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$657                                     |
| Polestar 3 (2024)               | EV    | \$7,500             |                           | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$0                                       |
| BMW X5 xDrive45e                | PHEV  | \$7,500             |                           | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$0                                       |
| Chrysler Pacifica Hybrid        | PHEV  | \$7,500             |                           | n/a                                   | yes               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$0                                       |
| Ford F-150 Lightning            | EV    | \$7,500             | Close to Cap <sup>1</sup> | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$0                                       |
| Ford Mach-E                     | EV    | \$7,500             | Close to Cap <sup>1</sup> | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$0                                       |
| GMC HUMMER EV                   | EV    | \$0                 | Exceeded Cap <sup>1</sup> | n/a                                   | NO                | yes                     |                               |   | \$0  | \$0                                       |
| Hyundai Nexo                    | HFCEV | \$0                 |                           |                                       |                   | NO                      |                               |   | \$0  | \$0                                       |
| Jeep Grand Cherokee 4xe         | PHEV  | \$7,500             |                           | n/a                                   | yes               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$0                                       |
| Jeep Wrangler 4xe               | PHEV  | \$7,500             |                           | n/a                                   | yes               | yes                     | probably?                     | maybe?                                      | \$7,500                                      | \$0                                       |
| Nissan Arya                     | EV    | \$0                 | Ramping Down <sup>1</sup> | n/a                                   | yes               | NO                      |                               |   | \$0  | \$0                                       |
| Nissan Leaf                     | EV    | \$7,500             | Ramping Down <sup>1</sup> | yes                                   | n/a               | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$0                                       |
| Rivian R1S                      | EV    | \$7,500             |                           | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$0                                       |
| Rivian R1T                      | EV    | \$7,500             |                           | n/a                                   | yes <sup>2</sup>  | yes                     | probably?                     | probably?                                   | \$7,500                                      | \$0                                       |
| Tesla Model S                   | EV    | \$0                 | Exceeded Cap <sup>1</sup> | NO                                    | n/a               | yes                     |                               |   | \$0  | \$0                                       |
| Tesla Model X                   | EV    | \$0                 | Exceeded Cap <sup>1</sup> | n/a                                   | NO                | yes                     |                               |   | \$0  | \$0                                       |
| Toyota Mirai                    | HFCEV | \$0                 |                           |                                       |                   | NO                      |                               |   | \$0  | \$0                                       |
| Volkswagen ID.4                 | EV    | \$7,500             |                           | n/a                                   | yes <sup>2</sup>  | yes <sup>4</sup>        | probably?                     | probably?                                   | \$7,500                                      | \$0                                       |
| Toyota Prius Prime              | PHEV  | \$2,251             | Ramping Down <sup>1</sup> |                                       |                   | NO                      |                               |   | \$0  | (\$2,251)                                 |
| Ferrari SF90 Stradale           | PHEV  | \$3,510             |                           | NO                                    |                   | NO                      |                               |   | \$0  | (\$3,510)                                 |
| Toyota BZ4X                     | EV    | \$3,750             | Ramping Down <sup>1</sup> |                                       |                   | NO                      |                               |   | \$0  | (\$3,750)                                 |
| Toyota RAV4 Prime               | PHEV  | \$3,750             | Ramping Down <sup>1</sup> |                                       |                   | NO                      |                               |   | \$0  | (\$3,750)                                 |
| Subaru Crosstrek Hybrid         | PHEV  | \$4,502             |                           | yes                                   | n/a               | NO                      |                               |   | \$0  | (\$4,502)                                 |
| Kia Niro Plug-In Hybrid         | PHEV  | \$4,543             |                           | n/a                                   | yes               | NO                      |                               |   | \$0  | (\$4,543)                                 |
| Mini Cooper SE Countryman       | PHEV  | \$5,002             |                           | n/a                                   | yes               | NO                      |                               |   | \$0  | (\$5,002)                                 |
| Volvo S90 Recharge              | PHEV  | \$5,419             |                           |                                       | n/a               | NO                      |                               |   | \$0  | (\$5,419)                                 |
| Volvo XC60 Recharge             | PHEV  | \$5,419             |                           | n/a                                   | yes <sup>2</sup>  | NO                      |                               |   | \$0  | (\$5,419)                                 |
| Volvo XC90 Recharge             | PHEV  | \$5,419             |                           | n/a                                   | yes <sup>2</sup>  | NO                      |                               |   | \$0  | (\$5,419)                                 |
| BMW 530e                        | PHEV  | \$5,836             |                           | NO                                    | n/a               | NO                      |                               |   | \$0  | (\$5,836)                                 |
| Land Rover Range Rover SE       | PHEV  | \$6,295             |                           | n/a                                   | NO                | NO                      |                               |   | \$0  | (\$6,295)                                 |
| Mitsubishi Outlander PHEV       | PHEV  | \$6,587             |                           | n/a                                   | yes               | NO                      |                               |   | \$0  | (\$6,587)                                 |
| Aud e-tron GT                   | EV    | \$7,500             |                           | NO                                    | n/a               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Audi A7 TFSI e Quattro          | PHEV  | \$7,500             |                           | NO                                    | n/a               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Audi e-tron                     | EV    | \$7,500             |                           | n/a                                   | yes <sup>2</sup>  | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Audi e-tron Sportback           | EV    | \$7,500             |                           | n/a                                   | yes <sup>2</sup>  | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Audi Q4 e-tron                  | EV    | \$7,500             |                           | n/a                                   | yes <sup>3</sup>  | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Bentley Bentayga Hybrid         | PHEV  | \$7,500             |                           | n/a                                   | NO                | NO                      |                               |   | \$0  | (\$7,500)                                 |
| BMW i4                          | EV    | \$7,500             |                           | n/a                                   | n/a               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| BMW i7                          | EV    | \$7,500             |                           | NO                                    | n/a               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| BMW iX                          | EV    | \$7,500             |                           | n/a                                   |                   | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Genesis GV60                    | EV    | \$7,500             |                           |                                       |                   | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Hyundai IONIQ 5                 | EV    | \$7,500             |                           |                                       |                   | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Hyundai Kona                    | EV    | \$7,500             |                           | n/a                                   | yes               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Jaguar I-Pace                   | EV    | \$7,500             |                           |                                       |                   | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Karma GS-6 and Revero GT        | PHEV  | \$7,500             |                           | NO                                    | n/a               | yes                     |                               |   | \$0  | (\$7,500)                                 |
| Kia EV6                         | EV    | \$7,500             |                           | n/a                                   | yes               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Kia Niro EV                     | EV    | \$7,500             |                           | n/a                                   | yes               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Lucid Air                       | EV    | \$7,500             |                           | n/a                                   | NO                | yes                     |                               |   | \$0  | (\$7,500)                                 |
| Mazda MX-30                     | EV    | \$7,500             |                           | n/a                                   | yes               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Mercedes-Benz EQS               | EV    | \$7,500             |                           |                                       |                   | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Mini Cooper SE                  | EV    | \$7,500             |                           | yes                                   | n/a               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Polestar 1                      | PHEV  | \$7,500             |                           |                                       |                   | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Polestar 2                      | EV    | \$7,500             |                           |                                       |                   | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Porsche Cayenne                 | PHEV  | \$7,500             |                           | n/a                                   | NO                | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Porsche Panamera                | PHEV  | \$7,500             |                           | NO                                    | n/a               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Porsche Taycan                  | EV    | \$7,500             |                           | NO                                    | n/a               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Subaru Solterra                 | EV    | \$7,500             |                           |                                       |                   | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Volvo C40 Recharge              | EV    | \$7,500             |                           | yes <sup>2</sup>                      | n/a               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Volvo V60 Recharge              | PHEV  | \$7,500             |                           | NO                                    | n/a               | NO                      |                               |   | \$0  | (\$7,500)                                 |
| Volvo XC40 Recharge             | EV    | \$7,500             |                           | NO                                    |                   | NO                      |                               |   | \$0  | (\$7,500)                                 |

1 OEM currently over 200,000 units of current tax incentive

2 Some trim and option combinations could exceed the price cap

3 Adjusted Gross Income \$150,000 or less for an Individual, \$300,000 or less filing Jointly

4 Check vehicle to make sure it was assembled in North America

5 Not official. Based on public information, likely to change.

New vehicle purchased Jan. 1, 2023 or later

New vehicle pre-orders dated before Bill Signing by the President qualify for the "old" tax credit.

## **Oregon**

The Oregon Clean Vehicle Rebate Program offers a cash rebate for Oregon drivers who purchase or lease electric vehicles. It is not a tax credit.

The program contains two rebate options:

- Standard Rebate for the purchase or lease of a new battery electric vehicle or a plug-in hybrid electric vehicle.
- Charge Ahead Rebate for the purchase or lease of a new or used battery electric vehicle.

Plug-in hybrid electric vehicles are not eligible for the Charge Ahead Rebate. To qualify for the Charge Ahead Rebate, the purchaser or lessee must be from a low- or moderate income household.

For the Standard Rebate:

- \$2,500 towards the purchase or lease of a new plug-in hybrid electric vehicle or battery electric vehicle with a battery capacity of 10 kWh or more.
- \$1,500 towards the purchase or lease of a new plug-in hybrid electric vehicle or battery electric vehicle with a battery capacity of less than 10 kWh.
- \$750 towards the purchase or lease of a zero-emission electric motorcycle.
- Vehicles must be registered in Oregon for at least two years and have a base manufacturer's suggested retail price of less than \$50,000

For the Charge Ahead Rebate:

- Provides \$5,000 towards the purchase or lease new or used battery electric vehicles and plug-in hybrid electric vehicles with an original base MSRP under \$50,000
- Program eligibility: Oregon residents and nonprofits that are low- to moderate-income service providers
- The state has a Rebate Income Eligibility Calculator at <https://www.deq.state.or.us/ocvrp>