

To: CGSA Members
From: Paul Grossgold
Date: July 29, 2013
Subject: Tax Credits for EVs

It was great seeing everyone last week, and it was good to see a full room! I will provide a more detailed wrap up soon, but wanted to follow up now on the roundtable item I mentioned about how tax-exempt entities (like counties) can take advantage of the IRS tax credit when purchasing an alternate fuel vehicle. The Title 26 language is pasted below, and the full article can be read using the link.

Bottom line is the IRS will treat the dealer as the taxpayer that put the vehicle in service, as long as they provide the buyer with a disclosure that it will be doing that. We purchased our first two vehicles using this methodology. The dealer (Vista Ford of Oxnard) passed the credit along to us in the purchase price, which it will then claim on its tax return. Whether the dealer passes all or part of the credit to the buyer is, of course, open to negotiation. In our case, the dealer passed through the entire credit of \$7500.

None of the dealers in our area were aware of this provision, and I suspect that is the case throughout the state, which means they have to be educated. In discussions at the meeting, it was suggested that this language can be embedded in our bids for vehicles, which would certainly get the word out on the street. Happy hunting, Paul

<http://codes.lp.findlaw.com/uscode/26/A/1/A/IV/B/30>

(3) Property used by tax-exempt entity

In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (c)).