



# TaxNewsFlash

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## Notice 2019-22: Credit phase-out, qualified plug-in electric vehicles (General Motors, LLC)

The IRS today released an advance version of Notice 2019-22 announcing the section 30D credit phase-out schedule for new qualified plug-in electric drive motor vehicles sold by General Motors, LLC.

### Background

Section 30D provides a credit of up to \$7,500 for new qualified plug-in electric drive motor vehicles sold after December 31, 2009. The qualified plug-in electric drive motor vehicle credit begins to phase out for a manufacturer's qualified plug-in electric drive motor vehicles in the second calendar quarter after the calendar quarter in which at least 200,000 of the manufacturer's vehicles that qualify for the credit have been sold for use or lease in the United States (determined on a cumulative basis for sales after December 31, 2009).

Section 30D provides the following schedule for phasing out the credit:

- Taxpayers purchasing the manufacturer's vehicles during the first two calendar quarters of the phase-out period may claim 50% of the otherwise allowable credit.
- Taxpayers purchasing the manufacturer's vehicles during the third and fourth calendar quarters of the phase-out period may claim 25% of the otherwise allowable credit.
- No credit is available for vehicles purchased after the last day of the fourth calendar quarter of the phase-out period.

### Notice 2019-22

[Notice 2019-22](#) [PDF 39 KB] states that General Motors, LLC submitted reports indicating that its cumulative sales of qualified vehicles reached the 200,000-vehicle limit during the calendar quarter ending December 31, 2018. Accordingly, the credit for all new qualified plug-in electric drive motor vehicles sold by General Motors, LLC will begin to phase out April 1, 2019.

According to the IRS notice, for a new qualified plug-in electric drive motor vehicle sold by General Motors, LLC (that is, purchased for use or lease in the United States), the allowable credit is:

- \$7,500 for vehicles purchased before April 1, 2019
- \$3,750 for vehicles purchased from April 1, 2019, and on or before September 30, 2019 (representing 50% of the otherwise allowable credit amount under section 30D(b))
- \$1,875 for vehicles purchased from October 1, 2019, and on or before March 31, 2020 (representing 25% of the otherwise allowable credit amount under section 30D(b))
- \$0 for vehicles purchased after March 31, 2020

Read a related IRS release: [IR-2019-57](#)

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