



Special Notice

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Tax Rebates and Credits for Plug-In Electric Vehicles

California Clean Vehicle Rebate Project

The Clean Vehicle Rebate Project (CVRP) California created by Assembly Bill 118 establishes rebates available for the purchase or lease of a qualified plug-in electric vehicle as of March 15, 2010. Purchasers of these vehicles may also be eligible for a federal tax incentive through the American Recovery and Reinvestment Act. Rebates are available up to \$5,000 for zero-emission light-duty vehicles and plug-in hybrid vehicles and up to \$20,000 for zero-emission commercial vehicles.

However, none of these rebate credits reduce the amount on which sales or use tax is due.

For example: The retail selling price of a zero-emission commercial vehicle is \$45,000 and the sale qualifies for a \$20,000 rebate. The sales or use tax due would be computed on the \$45,000 retail selling price.

For more information about the CVRP, please visit

<https://energycenter.org/index.php/incentive-programs/clean-vehicle-rebate-project>

Federal Tax Incentives for Plug-In Electric Vehicles

Effective January 1, 2010, tax credits are available for full-function electric-drive vehicles. The credits range from \$2,500 up to \$7,500. There is an additional federal tax credit for a portion of the cost of residential and commercial electric vehicle charging equipment and installations. These tax credits are taken on your federal income tax return.

Again, total gross receipts from the sale of electric vehicles and charging equipment (excluding installation fees) are subject to sales or use tax. Gross receipts are not reduced by the amount of the income tax credit.

For example: The purchase price of a zero-emission vehicle is \$45,000 and the purchase qualifies for a \$7,500 income tax credit that may be claimed on your income tax return. Tax is due at the time you buy the vehicle on the full retail selling price of \$45,000.

For more information about this federal credit, please visit

www.fueleconomy.gov/feg/taxphevb.shtml

If you have questions regarding this notice, you may email us at www.boe.ca.gov or call our Taxpayer Information Section at 800-400-7115 or TTY: 711. Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays to assist you.