



**Federal & State Incentives for
Clean Vehicles & Charging Stations
February 26, 2024**

1) FEDERAL INCENTIVES

a. VEHICLES

Corporate and tax-exempt entities are eligible for the incentives for [Commercial Clean Vehicles](#) (section 45W).

The amount of the incentive is based on the 'incremental' cost of the clean vehicle over the cost of the alternative. For 2023 & 2024, the IRS announced in [this notice](#) in 2023, and [this notice](#) for 2024, that for light duty vehicles, an incremental cost of \$7,500 can be claimed; for other vehicles, the incremental cost is listed in this [DOE Analysis](#) (for acquisitions in 2023 & 2024).

Unlike the personal EV tax credit, there are no battery or critical mineral component requirements and final assembly does not have to occur in the United States for this incentive. It is a tax credit for corporate entities, and it is available through 'elective pay' for tax-exempt entities (see below).

b. CHARGING STATIONS

In addition, corporate and tax-exempt entities are eligible for incentives for installations charging stations (for public or private use) in low income or non-urban areas, through the [Alternative Fuel Vehicle Refueling Property](#) (section 30C) credit. The base incentive is 6%, but it goes to 30% if the installation is done by a company that satisfies [prevailing wage and apprenticeship programs](#).

Eligible census tracts are shown on the [Eligibility Locator Map](#). They encompass:

- The census tract is not an urban area;
- A population census tract where the poverty rate is at least 20%; or
- Metropolitan and non-metropolitan area census tract where the median family income is less than 80% of the state medium family income level;

This incentive is a tax credit for corporate entities and is available through 'elective pay' for tax-exempt entities (see below).

c. ELECTIVE PAY

Incentives to local governments and other tax exempt entities for EVs, charging stations and other clean energy items are available through a mechanism that was originally called "direct pay" in the IRA; it is now referred to as "elective pay."

This [IRS info page](#) has a good run down of the steps a local government takes to apply for the credit.

As noted in the referenced IRS info above, the local government must have an EIN or TIN, will have to [pre-file](#) to get set up with the IRS and then will file a Form 990-T. After that, the money gets sent to the local government.

- This [FAQ page](#) contains a great detail of information, including on timing etc.
- Pre-filing is done through the [Pre-filing Registration Portal](#).

All of these documents are available via this [IRS Overview](#) page.

Questions? [Technical Assistance Joint Office of Energy & Transportation](#).

2) STATE INCENTIVES

The [Texas Emissions Reduction Plan](#) Program offers several different incentives for clean vehicles. They open for applications at different times throughout the biennium. For instance, currently the Alternative Fueling Facility program and the Texas Clean School Bus program are accepting applications.

<p>Texas Clean School Bus Program (TCSB)</p> <p>Now Accepting Applications</p> <p>Offers grants statewide to offset the cost of projects that reduce emissions from diesel exhaust. Eligible projects include replacing or retrofitting diesel-fueled school buses.</p> <p>Learn More ></p>	<p>Alternative Fueling Facilities Program (AFFF)</p> <p>Now Accepting Applications</p> <p>Offers grants to construct or expand fueling stations that provide natural gas and other alternative fuels within the Clean Transportation Zone.</p> <p>Learn More ></p>	<p>Light-Duty Motor Vehicle Purchase or Lease Incentive Program (LDPLIP)</p> <p>Accepting CNG/LPG Applications</p> <p>Offers grants statewide to purchase or lease an eligible, new light-duty vehicle, such as an electric car or truck.</p> <p>Learn More ></p>
<p>Texas Hydrogen Infrastructure, Vehicle, and Equipment Program (THIVE)</p> <p>Now Accepting Applications</p> <p>Provides grants in eligible counties for hydrogen vehicles, equipment, and refueling infrastructure.</p> <p>Learn More ></p>	<p>Seaport and Rail Yard Areas Emissions Reduction Program (SPRY)</p> <p>Projected Opening: April 2024</p> <p>Offers grants statewide to replace older drayage trucks and equipment operating at eligible seaports and rail yards.</p> <p>Learn More ></p>	<p>Rebate Grants Program</p> <p>Projected Opening: May 2024</p> <p>Offers grants in eligible counties to upgrade or replace diesel heavy-duty vehicles and non-road equipment on a first-come, first-served basis.</p> <p>Learn More ></p>
<p>Emissions Reduction Incentive Grants (ERIG)</p> <p>Projected Opening: May 2024</p> <p>Offers grants to repower or replace older locomotives, marine vessels, stationary equipment, or select non-road equipment to reduce NO_x emissions in ozone nonattainment areas and affected counties in Texas.</p> <p>Learn More ></p>	<p>Texas Natural Gas Vehicle Grant Program (TNGVGP)</p> <p>Projected Opening: September 2024</p> <p>Offers grants in eligible counties to repower heavy-duty or medium-duty vehicles with natural gas engines or replace the vehicles with natural gas vehicles.</p> <p>Learn More ></p>	<p>New Technology Implementation Grant Program (NTIG)</p> <p>Projected Opening: October 2024</p> <p>Offers grants statewide to implement new technologies that reduce emissions of pollutants from facilities and other stationary sources.</p> <p>Learn More ></p>
<p>Governmental Alternative Fuel Fleet Grant Program (GAFF)</p> <p>Projected Opening: December 2024</p> <p>Offers grants statewide to assist with purchasing or leasing new vehicles that operate primarily on compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen fuel cells, or electricity.</p> <p>Learn More ></p>	<p>Texas Clean Fleet Program (TCFP)</p> <p>Projected Opening: January 2025</p> <p>Offers grants in eligible counties to replace heavy-duty and light-duty on-road diesel vehicles with alternative fuel and hybrid vehicles.</p> <p>Learn More ></p>	