



## Federal Funding Opportunities

## Odyssey Day

October 7, 2022

Rick Price

Executive Director

# Federal Tax Credits

**Alternative Fuel Excise Tax Credit** - the alternative fuel excise credit (\$0.50) for natural gas and propane(\$0.37) through 2024

- **Biodiesel Mixture Excise Tax Credit** - Internal Revenue Service (IRS) may be eligible for a tax incentive in the amount of \$1.00 per gallon of pure biodiesel, agri-biodiesel, or renewable diesel blended with petroleum diesel to produce a mixture containing at least 0.1% diesel fuel. Only blenders that have produced and sold or used the qualified biodiesel mixture as a fuel in their trade or business are eligible for the tax credit.
- **Alternative Fuel Infrastructure Tax Credit** - Beginning January 1, 2023, fueling equipment for natural gas, propane, hydrogen, electricity, E85, or diesel fuel blends containing a minimum of 20% biodiesel installed through December 31, 2032, is eligible for a tax credit of 30% of the cost or 6% in the case of property subject to depreciation, not to exceed \$100,000. Permitting and inspection fees are not included in covered expenses. Consumers who purchase qualified residential fueling equipment prior to December 31, 2032, may receive a tax credit of up to \$1,000.

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- **Pre-Owned Electric Vehicle (EV) and Fuel Cell Electric Vehicle (FCEV) Tax Credit** - Beginning January 1, 2023, the Clean Vehicle Credit provides a tax credit of up to \$4,000 for the purchase of a pre-owned EV or FCEV. Eligible vehicles must be of a model year at least two years prior to the year of purchase and may not have a purchase price above \$25,000. Individuals with a gross annual income below the following thresholds are eligible for the tax credit:
  - \$150,000 for joint filers
  - \$112,500 for head-of-household filers
  - \$75,000 for single filers
- Only one tax credit may be claimed per vehicle. Individuals may not claim more than one pre-owned vehicle tax credit in a three-year period.

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- **Commercial Electric Vehicle (EV) and Fuel Cell Electric Vehicle (FCEV) Tax Credit** - Beginning January 1, 2023, a tax credit will be available to businesses for the purchase of new EVs and FCEVs. Vehicles with a gross vehicle weight rating (GVWR) below 14,000 pounds (lbs.) must have a battery capacity of at least seven kilowatt-hours (kWh) and vehicles with a GVWR above 14,000 lbs. must have a battery capacity of at least 15 kWh. The tax credit amount is equal to the lesser of the following amounts:
  - 15% of the vehicle purchase price for plug-in hybrid electric vehicles
  - 30% of the vehicle purchase price for EVs and FCEVs
  - The incremental cost of the vehicle compared to an equivalent internal combustion engine vehicle
  - Maximum tax credits may not exceed \$7,500 for vehicles under 14,000 lbs. and \$40,000 for vehicles above 14,000 lbs. Businesses may not combine this tax credit with the [Clean Vehicle Tax Credit](#).
- **Zero Emission Vehicle (ZEV) and Infrastructure Grants** - By February 12, 2023, the U.S. Environmental Protection Agency must provide grants for heavy-duty ZEVs and associated infrastructure. Grant award amounts vary and may cover up to 100% of total project costs. Eligible projects include:
  - The incremental cost of a Class 6 or 7 EV;
  - Capital, installation, operation, and maintenance costs of ZEV charging or refueling infrastructure;
  - Workforce development and training programs to support the maintenance, charging, fueling, and operation of ZEVs; and,
  - Planning and technical activities that support the adoption and deployment of ZEVs.
  - Eligible applicants include state governments, municipalities, tribal governments, and non-profit school transportation associations. Additional funding is available for projects located in [nonattainment communities](#).

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- **Port Infrastructure Development Program** - The U.S. Department of Transportation (DOT) will establish the Port Infrastructure Development Program (PIDP) to fund projects that improve port resiliency to address sea-level rise, flooding, extreme weather events, earthquakes, and tsunami inundation, as well as projects that reduce or eliminate port-related criteria pollutant or greenhouse gas emissions. Funded projects may include:
  - Port electrification or electrification master planning;
  - Development of port or terminal micro-grids;
  - Worker training to support electrification technology; and,
  - Electric vehicle charging or hydrogen fueling infrastructure.
- Funding is authorized through fiscal year 2026. Applications for the first funding round are due May 16, 2022
- **Regional Clean Hydrogen Hubs** - The U.S. Department of Energy (DOE) administers the Regional Clean Hydrogen Hubs (H2Hubs) program. H2Hubs will fund the development of at least four regional networks of hydrogen producers, potential hydrogen consumers, and connective infrastructure located in close proximity. At least one H2Hub must demonstrate the end-use of hydrogen in the transportation sector

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- **Clean School Bus** - The U.S. Environmental Protection Agency's (EPA) Clean School Bus program provides funding to eligible applicants for the replacement of existing school buses with clean, alternative fuel school buses or zero-emission school buses. EPA may award up to 100% of the cost of the replacement bus, charging equipment, or fueling infrastructure. Alternative fuels include electricity, natural gas, hydrogen, or propane. Eligible applicants are school districts, state and local government programs, federally recognized Indian tribes, non-profit organizations, and eligible contractors.
- **Community Alternative Fuel Infrastructure Grants** - The U.S. Department of Transportation (DOT) shall establish a competitive grant program to fill gaps in publicly accessible electric vehicle charging and hydrogen, propane, and natural gas fueling infrastructure in community locations, such as a parking facilities, public schools, public parks, or along public roads. Funding of up to 80% of project costs will be available for both development-phase planning activities and the acquisition and installation of charging or alternative fueling infrastructure. Five percent of the grant fund awarded may be used for educational and community engagement activities to develop and implement education programs through partnerships with schools, community organizations, and vehicle dealerships to support the use of zero-emission vehicles and associated infrastructure.

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- **Airport Zero Emission Vehicle (ZEV) and Infrastructure Incentives** - The Zero Emissions Airport Vehicle and Infrastructure Pilot Program provides funding to airports for up to 50% of the cost to acquire ZEVs and install or modify supporting infrastructure for acquired vehicles. Grant funding must be used for airport-owned, on-road vehicles used exclusively for airport purposes. Vehicles and infrastructure must meet the Federal Aviation Administration's Airport Improvement Program requirements, including Buy American requirements. To be eligible, an airport must be for public use. The program will give priority to applicants located in nonattainment areas, as defined by the Clean Air Act, and projects that achieve the greatest air quality benefits, as measured by the amount of emissions reduced per dollar of funds spent under the program.

# QUESTIONS

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