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## **Prop. Reg. Section 1.30C-2(a)(4)(i)(B)**

### **General rules**

#### **(a) Amount of credit.**

(1) In general. Section 30C(a) of the Code allows a taxpayer to claim as a credit against the tax imposed by chapter 1 an amount equal to a percentage of the cost of 30C property placed in service by the taxpayer during the taxable year, subject to certain dollar-amount limitations described in section 30C(b) and paragraph (a)(4) of this section.

#### **(2) Applicable percentages.**

(i) Property of a character subject to an allowance for depreciation. In the case of property of a character subject to an allowance for depreciation, the section 30C credit is an amount equal to 6 percent of the cost of any 30C property placed in service by the taxpayer during the taxable year. For 30C property placed in service by certain tax-exempt organizations and governmental units described in section 50(b)(3) and (4) of the Code, see sections 30C(e)(2) and 6417(d)(2) of the Code and §1.6417-2(c).

(ii) Projects meeting the prevailing wage and apprenticeship (PWA) requirements. In the case of any 30C project (as described in § 1.30C-3(b)(2)) that satisfies the prevailing wage and registered apprenticeship requirements of section 30C(g) and §1.30C-3 (PWA requirements), the section 30C credit for the cost of any 30C property in such project placed in service by the taxpayer during the taxable year is multiplied by 5.

(iii) Property not subject to an allowance for depreciation. In the case of property of a character not subject to an allowance for depreciation, the section 30C credit is an amount equal to 30 percent of the cost of any 30C property placed in service by the taxpayer during the taxable year provided that such property is installed on property that is used as the taxpayer's principal residence (within the meaning of section 121 of the Code).

(3) Apportionment of section 30C credit between business and personal use. In the case of depreciable 30C property installed at the taxpayer's principal residence, the business use of which is more than 50 percent of a taxpayer's total use of the property for the taxable year in which the property is placed in service, the taxpayer's section 30C credit for that taxable year with respect to that 30C property is treated as a general business credit under section 30C(d)(1) and paragraph (a)(2)(i) of this section (and not allowed under section 30C(a) or paragraph (a)(2)(iii) of this section). If the business use of such 30C property is 50 percent or less of a taxpayer's total use of the property for the taxable year in which the property is placed in service (apportioned-use property), the taxpayer's section 30C

credit for that taxable year with respect to that property must be apportioned as provided in paragraphs (a)(3)(i) and (ii) of this section:

(i) Business use portion. The portion of the section 30C credit corresponding to the percentage of the taxpayer's business use of the 30C property is treated as a general business credit under section 30C(d)(1) and paragraph (a)(2)(i) of this section (and not allowed under section 30C(a) or paragraph (a)(2)(iii) of this section).

(ii) Personal use portion. The portion of the section 30C credit corresponding to the percentage of the taxpayer's personal use of the 30C property is treated as a section 30C credit allowed under section 30C(a) pursuant to section 30C(d)(2) and paragraph (a)(2)(iii) of this section.

(4) Dollar-amount limitations.

(i) In general. The section 30C credit allowed with respect to any single item of 30C property placed in service by the taxpayer during the taxable year cannot exceed-

(A) \$100,000 in the case of any such item of property of a character subject to an allowance for depreciation; and

(B) \$1,000 in any other case.

(ii) Apportioned-use property. In the case of apportioned-use property described in paragraph (a)(3) of this section, the dollar-amount limitation must be apportioned in the same manner as the taxpayer's section 30C credit. For example, in the case of 30C property the business use of which is 40 percent of a taxpayer's total use of the property for the taxable year in which the property is placed in service: the portion treated as a general business credit under section 30C(d)(1) cannot exceed \$40,000 (\$100,000 multiplied by 40 percent), and the portion treated as a section 30C credit allowed under section 30C(a) cannot exceed \$600 (\$1,000 multiplied by 60 percent).

(b) 30C property rules.

(1) Single item of 30C property. A taxpayer may claim the section 30C credit with respect to 30C property if the taxpayer places in service at least one single item of 30C property as described in paragraph (b)(6) of this section, any other components associated with the item that are functionally interdependent, and, if applicable, any integral part property associated with the item. For purposes of calculating the section 30C credit, a single item of 30C property is-

(i) Each charging port for recharging property;

(ii) Each fuel dispenser for refueling property; or

(iii) Each storage property (for this purpose, a storage system comprised of multiple storage tanks, such as a cascade system, is treated as a single storage property).

(2) Associated property. If functionally interdependent property and, if applicable, integral part property that is a part of the 30C property is placed in service by a taxpayer

in a taxable year and is associated with one or more single items of 30C property (associated property), then such associated property must be allocated as follows:

(i) If associated property is directly attributable and traceable to a single item of 30C property, then the cost of such associated property is allocated to such single item of 30C property.

(ii) If associated property is directly attributable and traceable to more than one single item of 30C property, then the cost of such associated property is allocated to such single item of 30C property based on the cost of each single item of 30C property. The total cost of such associated property divided among the 30C properties cannot exceed 100 percent of the cost of such associated property.

(3) Calculating the section 30C credit. The section 30C credit for each single item of 30C property is the lesser of the tentative section 30C credit for that single item or the dollar-amount limitations in paragraph (a)(4) of this section for that single item. The tentative section 30C credit for each single item of 30C property equals:

(i) The applicable percentage; multiplied by

(ii) The sum of-

(A) The cost of the single item of 30C property;

(B) The cost of associated property that is directly attributable and traceable to the single item of 30C property (as described in paragraph (b)(2)(i) of this section); and

(C) The cost of the ratable share of associated property (as described in paragraph (b)(2)(ii) of this section).

(4) Special rule for bidirectional charging equipment. Property will not fail to be treated as 30C property solely because such property is capable of charging the battery of a motor vehicle propelled by electricity and allows discharging electricity from such battery to an electric load external to such motor vehicle.

(5) Property for the refueling of certain two- and three-wheeled motor vehicles. 30C property also includes property of a character subject to an allowance for depreciation that is for the recharging of a motor vehicle described in §1.30C-1(b)(17)(ii).

(6) Placed in service.

(i) Depreciable property. 30C property that is depreciable property is considered placed in service in the earlier of the following taxable years:

(A) The taxable year in which, under the taxpayer's depreciation practice, the period for depreciation with respect to such property begins; or

(B) The taxable year in which such property is placed in a condition or state of readiness and availability for a specifically assigned function, whether in a trade or business or in the production of income.

(ii) Non-depreciable property. 30C property that is non-depreciable property is considered placed in service when it is installed at the principal residence of the taxpayer and is operational.

(c) Eligible census tracts.

(1) Geographic requirement. To qualify for the section 30C credit, 30C property must be placed in service in an eligible census tract. Eligible census tracts include any population census tract that qualifies as a low-income community census tract or that is a non-urban census tract.

(2) Low-income community census tract.

(i) In general. A population census tract is an eligible low-income community census tract for purposes of the section 30C credit if the population census tract meets the requirements of section 45D(e)(1) of the Code (relating to the new markets tax credit), which requires that the poverty rate for such tract is at least 20 percent, or in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

(ii) Modification for high migration rural counties. In the case of a census tract located within a high migration rural county, as defined under section 45D(e)(5) of the Code, such census tract is a low-income community if the median family income for such tract does not exceed 85 percent of statewide median family income.

(3) Non-urban census tract. For purposes of the section 30C credit, a non-urban census tract is any population census tract in which at least 10 percent of the census blocks are not designated as urban areas by the Census Bureau.

(4) Determination of eligibility of specific census tracts. The Internal Revenue Service (IRS) will periodically publish lists of specific census tracts that meet the criteria in paragraph (c)(1) of this section along with instructions on how taxpayers may determine their census tract identifying numbers in the Federal Register or Internal Revenue Bulletin (see §601.601 of this chapter).

(d) Reduction in basis. The basis of any property for which a credit is allowable under section 30C(a) must be reduced by the amount of the credit so allowed (determined without regard to section 30C(d)).

(e) Examples. The following examples illustrate the rules of this section.

(1) Example (1).

(i) Facts. A installs a free-standing garage at A's principal residence, which costs \$25,000. A installs electric vehicle supply equipment (EVSE), which costs \$1,500 and consists of an AC Level 2 charger, charging port, and connector. A also installs a wall mount to support the charging port, which costs \$500. The wall mount is specifically designed to be integrated with the EVSE. Finally, A adds a new electric panel and installs conduit/wiring, which together costs \$1,000, to

connect the charging port to the electrical service line. The new electric panel and conduit/wiring are used exclusively to service the charging port and are required to make the charging port operational. All property is owned by A and is not subject to an allowance for depreciation. All costs include labor costs. The property is placed in service at the time it is installed. A's principal residence is located in an eligible census tract as described in paragraph (c) of this section.

(ii) Analysis-

(A) 30C property. The charger, charging port, connector, wall mount, electric panel, and conduit/wiring are 30C property under §1.30C-1(b)(1). The charger, connector, and conduit/wiring are functionally interdependent with the charging port (and all of these properties together constitute recharging property under §1.30C-1(b)(1)(i)(B)). The electric panel and wall mount are an integral part of the recharging property under §1.30C-1(b)(1)(ii) and (b)(15). The charger, charging port, connector, wall mount, electrical panel, and conduit/wiring meet the other requirements of §1.30C-1(b)(1)(iii) because the property is installed at A's principal residence, the original use of the property begins with A, and the property is placed in service (as defined in paragraph (b)(6) of this section) in an eligible census tract as described in paragraph (c) of this section. The garage is not 30C property because any building or its structural components are excluded from the definition of 30C property under §1.30C-1(b)(1)(i), and therefore cannot qualify as functionally interdependent with the charging port nor as an integral part of the recharging property.

(B) Calculation of the credit. Under paragraph (b)(1)(i) of this section, the charging port is the item of 30C property for purposes of calculating the credit. Further, under paragraph (b)(2) of this section, the charger (excluding the charging port), connector, wall mount, electrical panel, and conduit/wiring are all directly attributable and traceable associated property with respect to the charging port. Under paragraph (b)(3) of this section, the tentative section 30C credit is the sum of the cost of a single item of 30C property (charging port) and the cost of directly attributable and traceable associated property, multiplied by the applicable percentage (30%). Here, the cost of the charging port is included in the cost of the EVSE (with the charger and connector), and because the charger includes only a single port, the entire \$1,500 is taken into account as either the item of 30C property or as directly attributable and traceable associated property. Thus, the tentative section 30C credit under paragraph (b)(3) of this section is \$3,000 (\$1,500 for the charger + \$500 for the wall mount + \$1,000 for the panel and wiring) multiplied by the applicable percentage (30%), which equals \$900. Because \$900 is less than the \$1,000 limit in paragraph (a)(4)(i)(B) of this section, the final section 30C credit is also \$900.

(2) Example (2).

(i) Facts. The facts are the same as paragraph (e)(1) of this section (Example 1), except that the total cost of all directly attributable and traceable associated property other than the charger (excluding the charging port) is \$3,500.

(ii) Analysis. Under paragraph (b)(3) of this section, the tentative section 30C credit is the sum of the cost of a single item of 30C property (charging port) and the cost of directly attributable and traceable associated property, multiplied by the applicable percentage (30%). As in paragraph (e)(1) of this section (Example 1), the cost of the charging port is included in the cost of the EVSE (with the charger and connector), and because the charger includes only a single port, the entire \$1,500 is taken into account as either the item of 30C property or as directly attributable and traceable associated property. Thus, the tentative section 30C credit under paragraph (b)(3) of this section is \$5,000 (\$1,500 for the charger + \$3,500 for all directly attributable and traceable associated property) multiplied by the applicable percentage (30%), which equals \$1,500. Because \$1,500 is greater than the \$1,000 limit in paragraph (a)(4)(i)(B) of this section, the final section 30C credit is \$1,000.

(3) Example (3).

(i) Facts. The facts are the same as paragraph (e)(2) of this section (Example 2), except that A operates a delivery service and installs the EVSE at her personal residence that she uses to charge both her personal vehicle and her delivery vehicle. Her business use of the EVSE is 40%. The PWA requirements are not satisfied.

(ii) Analysis.

(A) As in paragraph (e)(2) of this section (Example 2), the cost of the charging port is included in the cost of the EVSE (with the charger and connector), and because the charger includes only a single port, the entire \$1,500 is taken into account as either the item of 30C property or as directly attributable and traceable associated property. Under paragraph (a)(3) of this section, the 30C property is apportioned-use property. As a result, under paragraph (a)(4)(ii) of this section, the dollar-amount limitation must be apportioned in the same manner as the taxpayer's section 30C credit.

(B) Under paragraph (b)(3) of this section, the tentative section 30C credit for the personal use portion of the 30C property is the sum of the cost of a single item of 30C property (charging port) and the cost of directly attributable and traceable associated property, multiplied by the personal use portion (60%), and then multiplied by the applicable percentage (30%). The tentative section 30C credit under paragraph (b)(3) of this section is \$5,000 (\$1,500 for the charger + \$3,500 for all directly attributable and traceable associated property) multiplied by the personal use portion (60%), and then multiplied by the applicable percentage (30%), which equals \$900. Because \$900 is greater than the \$600 limit in paragraph (a)(4)(ii) of this section (\$1,000 x 60%), the final section 30C credit for the personal use portion is \$600.

(C) Under paragraph (b)(3) of this section, the tentative section 30C credit for the business use portion of the 30C property is the sum of the cost of a single item of 30C property (charging port) and the cost of directly attributable and traceable associated property, multiplied by the business-use portion (40%), and then

multiplied by the applicable percentage (6%). The tentative section 30C credit under paragraph (b)(3) of this section is \$5,000 (\$1,500 for the charger + \$3,500 for all directly attributable and traceable associated property) multiplied by the business-use portion (40%), and then multiplied by the applicable percentage (6%), which equals \$120. Because \$120 is less than the \$40,000 limit in paragraph (a)(4)(ii) of this section (\$100,000 x 40%), the final section 30C credit for the business-use portion is \$120.

(4)Example (4).

(i) Facts. B is a business entity that owns a fleet of medium-duty electric delivery vans. To recharge its electric delivery vans, B installs several properties at the same physical address in the same taxable year. First, B installs 20 direct current fast chargers (DCFCs), that have 2 charging ports each for a total of 40 charging ports. Each DCFC costs \$30,000. B also installs a pedestal to support each DCFC, which cost \$1,000 each. B additionally installs an electric panel and conduit/wiring, which together cost \$50,000, to connect the DCFCs to the electrical service line. Finally, B installs a smart charge management system for \$25,000, which is used to control the amount of power dispensed by the DCFCs to meet B's charging needs and prevent equipment overloads. The electric panel and conduit/wiring are used exclusively to service the DCFCs and are necessary to install to make each charging port operational. All property is owned by B. All costs include labor costs. Each of the above properties is property of a character subject to depreciation and is placed in service at the time it is installed. The physical address where B installs these properties is located in an eligible census tract as described in paragraph (c) of this section.

(ii) Analysis-

(A) 30C property. The DCFCs, pedestals, electric panel, conduit/wiring, and the smart charge management system all constitute 30C property under §1.30C-1(b)(1). Each DCFC and each pedestal is functionally interdependent with the respective charging ports with which they are associated and the conduit/wiring property is functionally interdependent with the entire class of charging ports (and these properties together constitute recharging property under §1.30C-1(b)(1)(i)(B)) and the electric panel and the smart charge management system constitute integral parts of the entire class of charging ports under §1.30C-1(b)(1)(ii) and (b)(15). The DCFCs, pedestals, the electrical panel, conduit/wiring, and the smart charge management system all meet the other requirements of §1.30C-1(b)(1)(iii) because the properties are each subject to an allowance for depreciation, the original use of the properties begins with B, and the properties are placed in service (as described in paragraph (b)(6) of this section) in an eligible census tract as described in paragraph (c) of this section.

(B) Calculation of the credit.

(1) Under paragraph (b)(1)(i) of this section, each charging port constitutes a separate item of 30C property for purposes of calculating the credit. Additionally, under paragraph (b)(2)(i) of this section, each charger (excluding its respective ports) and each pedestal, electrical panel, and the conduit/ wiring are all

associated property that is directly attributable to and traceable with respect to their respective charging ports. Further, the electric panel, the conduit/wiring, and the smart charge management system are associated property directly attributable and traceable to more than one single item of 30C property, as described in paragraph (b)(2)(ii) of this section, because they are not directly attributable and traceable to any single charging port.

(2) Under paragraph (b)(3) of this section, B's tentative section 30C credit for each single item of 30C property (each charging port) is the sum of the cost of that single item of 30C property (each charging port), the cost of directly attributable and traceable associated property, and the ratable share of the cost of other associated property multiplied by the applicable percentage as described in paragraph (a)(2) of this section (6% or 30%, depending on whether the PWA requirements are satisfied).

(3) Because each DCFC charger costs \$30,000 and each has 2 charging ports, the cost of each port is \$15,000 ( $\$30,000 / 2$ ). Additionally, because each pedestal supports a charger with 2 ports and costs \$1,000, the cost attributable to each port is \$500 ( $\$1,000 / 2$ ). The costs of the electric panel and the conduit/wiring are allocated ratably based on the cost per charging port ( $\$50,000 / 40 = \$1,250$ ). Similarly, the cost of the smart charge management system is also allocated ratably based on the cost per charging port ( $\$25,000 / 40 = \$625$ ).

(4) B should therefore calculate a separate section 30C credit for each single item of 30C property (that is, each of the 40 charging ports) by adding the cost of the charging port (\$15,000) to the cost (\$500) of directly attributable and traceable associated property (respective pedestal) and to the ratable shares ( $\$1,250 + \$625$ ) of the two functionally interdependent and integral part properties (panel, including its conduit/wiring, and the smart charge management system). The sum of these costs is \$17,375 for each charging port.

(5) If B does not meet the PWA requirements, B's tentative section 30C credit for each charging port is \$17,375 multiplied by the applicable percentage (6% under paragraph (b)(3)(i) of this section), which equals \$1,042.50. Because \$1,042.50 is less than the \$100,000 credit limit for depreciable property under paragraph (a)(4)(i)(A) of this section, the final section 30C credit for each charging port is also \$1,042.50. B's total section 30C credit is \$41,700, the sum of the section 30C credit for each charging port that B placed in service ( $\$1,042.50 \times 40$ ) in the taxable year.

(6) If B meets the PWA requirements, B's tentative section 30C credit for each charging port is \$17,375 multiplied by the increased applicable percentage (30%) under paragraph (b)(3)(i) of this section, which equals \$5,212.50. Because \$5,212.50 is less than the \$100,000 credit limit for depreciable property under paragraph (a)(4)(i)(A) of this section, the final section 30C credit for each charging port is also \$5,212.50. B's total section 30C credit is \$208,500, the sum of the section 30C credit for each charging port that B placed in service ( $\$5,212.50 \times 40$ ) during the taxable year. The fact that this total credit exceeds the \$100,000 limit is not relevant because section 30C(b)(1) and paragraph

(a)(4)(i)(A) of this section provide that the \$100,000 limit applies on a per-item basis and not as an aggregate limit.

(5) Example (5).

(i) Facts. The facts are the same as paragraph (e)(4) of this section (Example 4), except that B places in service the electric panel, conduit/wiring, smart charge management system, and 10 DCFCs in Year 1. In Year 2, B then installs and places in service the other 10 DCFCs.

(ii) Analysis-

(A) 30C property. Under paragraph (a) of this section, the amount of the credit, generally, is determined based on a percentage of the cost of 30C property placed in service, as defined under paragraph (b)(6) of this section, by a taxpayer during a taxable year. In this example, B has placed in service 10 DCFCs, and certain integral part property and property that is functionally interdependent to all 20 DCFCs in one tax year, while placing in service 10 more DCFCs in a different tax year. B will, therefore, include the electric panel, conduit/wiring, smart charge management system, and 10 pedestals and 20 ports (that is, the 10 DCFCs placed in service in year 1) in calculating the Year 1 section 30C credit. In Year 2, B will only include in calculating B's total section 30C credit, the 10 pedestals and 20 ports installed in year 2.

(B) Calculation of the credit.

(1) For year 1 the cost of each DCFC charger is still \$30,000 and the cost of each port is still \$15,000. Additionally, the cost for the pedestals attributable to each port is still \$500. The costs of the electric panel and the conduit/wiring are allocated ratably based on the cost per charging port placed in service in the same taxable year ( $\$50,000 / 20 = \$2,500$ ). Similarly, the cost of the smart charge management system is also allocated ratably based on the cost per charging port placed in service in the same taxable year ( $\$25,000 / 20 = \$1,250$ ). The cost for each single item in Year 1 includes the cost of each port (\$15,000), the ratable share of the cost of the pedestal (\$500), the ratable share of the cost of the electric panel and conduit/wiring (\$2,500) and the ratable share of the cost of the smart charge management system (\$1,250). The sum of these costs for a single item of 30C property in year 1 is \$19,250. If B did not meet the PWA requirements, B's tentative section 30C credit for each charging port is \$19,250 multiplied by the 6% applicable rate, which equals \$1,155 per single item of 30C property for Year 1. In total, B's section 30C credit for Year 1 would be \$ 23,100 ( $\$1,155 \times 20$ ). If B does meet the PWA requirements, B's tentative section 30C credit for each port is \$5,775, which is the \$19,250 cost per single item multiplied by the 30% applicable rate. In total, if B meets the PWA requirements, B's section 30C credit for Year 1 would be \$115,500 ( $\$5,775 \times 20$ ). The fact that this total credit exceeds the \$100,000 limit is not relevant because section 30C(b)(1) and paragraph (a)(4)(i)(A) of this section provide that the \$100,000 limit applies on a per-item basis and not as an aggregate limit.

(2) For Year 2, the cost of each port would still be \$15,000 and the cost for the pedestals attributable to each port is still \$500. The integral part property was already placed in service in Year 1, and therefore, the cost associated with that property is not allocated to the Year 2 property. Therefore, in Year 2, if B does not meet the PWA requirements, B's section 30C credit for each single item is \$930 ( $\$15,500 \times 6\%$ ), and the amount of B's total Year 2 section 30C credit is \$18,600 ( $\$930 \times 20$ ). If B meets the PWA requirements, B's section 30C credit for each single item is \$4,650 ( $\$15,500 \times 30\%$ ), and B's total Year 2 section 30C credit is \$93,000 ( $\$4,650 \times 20$ ).

(6) Example (6).

(i) Facts. The facts are the same as paragraph (e)(4) of this section (Example 4), except that B begins construction and incurs \$100,000 of costs related to the installation of the chargers in Year 1, but no property is placed in service until Year 2.

(ii) Analysis. There is no section 30C credit for Year 1 because no 30C property has been placed in service. The 30C property is placed in service in Year 2. In Year 2, the section 30C credit is the same as the Year 1 credit in paragraph (e)(4) of this section (Example 4).

(7) Example (7).

(i) Facts. The facts are the same as paragraph (e)(4) of this section (Example 4), except that instead of installing 20 DCFCs, B installs 10 DCFCs, with 2 charging ports each, and 10 AC Level 2 chargers (AC chargers), also with 2 charging ports each. Each AC Level 2 charger costs \$10,000. Each DCFC charger still costs \$30,000. B also installs a pedestal to support each AC charger, which costs \$1,000 each.

(ii) Analysis-

(A) 30C property. The analysis for the DCFCs pedestals, electric panel, conduit/wiring, and smart charge management system is the same as in Example 4 of this paragraph (e). Additionally, the AC chargers also constitute 30C property under §1.30C-1(b)(1). Each AC charger and each pedestal is functionally interdependent with the respective charging ports with which they are associated (and these properties together constitute recharging property under §1.30C-1(b)(1)(i)(B)) and the electric panel, the conduit/wiring property, and the smart charge management system constitute integral parts of all of the DCFC ports and AC charger charging ports under §1.30C-1(b)(1)(ii) and (b)(15). The AC chargers also meet the other requirements of §1.30C-1(b)(1)(iii) because they are subject to an allowance for depreciation, the original use of the properties begins with B, and are placed in service (as defined in paragraph (b)(6) of this section) in an eligible census tract as described in paragraph (c) of this section.

(B) Calculation of the credit.

(1) Under paragraph (b)(1)(i) of this section, each of the 20 DCFC charging ports and each of the 20 AC charger charging ports constitutes a separate item of 30C property for purposes of calculating the credit. Additionally, under paragraph

(b)(2)(i) of this section, each charger (excluding its respective ports) and each pedestal, electrical panel, and the conduit/wiring are all associated property that is directly attributable to and traceable associated property with respect to their respective charging ports. Further, the electric panel, the conduit/wiring, and the smart charge management system are associated property directly attributable and traceable to more than one single item of 30C property, as described in paragraph (b)(2)(ii) of this section, because they are not directly attributable and traceable to any single charging port.

(2) Under paragraph (b)(3) of this section, B's tentative section 30C credit for each single item of 30C property (each charging port) is the sum of the cost of that single item of 30C property (each charging port), the cost of directly attributable and traceable associated property, and the ratable share of the cost of other associated property multiplied by the applicable percentage as described in paragraph (a)(2) of this section (6% or 30%, depending on whether the PWA requirements are satisfied).

(3) B should therefore calculate a separate section 30C credit for each single item of 30C property (that is, each of the 20 DCFC charging ports and each of the 20 AC charger charging ports). Because each of the 10 DCFCs costs \$30,000 and each has 2 charging ports, the cost of each DCFC port is \$15,000 ( $\$30,000 / 2$ ). Similarly, because each of the 10 AC chargers costs \$10,000 and each has 2 charging ports, the cost of each AC charger charging port is \$5,000 ( $\$10,000 / 2$ ). To calculate the credit, B should add the cost of the charging port (\$15,000 for the DCFC ports and \$5,000 for the AC charger charging ports) to the allocable costs of the associated properties. Because each pedestal costs \$1,000 and supports a single charger that has 2 ports, the cost attributable to each port (both the DCFC and AC charger charging ports) is \$500 ( $\$1,000 / 2$ ). With respect to the properties whose costs are not directly attributable and traceable to any single port, B must allocate their costs according to each port's ratable share of B's total cost for the 40 ports. Because the 20 DCFC ports cost a total of \$300,000 ( $20 \times \$15,000$ ) and the 20 AC charger charging ports cost only \$100,000 in total ( $20 \times \$5,000$ ), B should allocate 75% of these costs to the 20 DCFC ports and 25% of these costs to the AC charger charging ports. Therefore, \$1,875 ( $(\$50,000 \times 75\%) / 20$ ) of the cost of the electric panel and conduit/wiring is attributable to each of the 20 DCFC charging ports, and \$625 ( $(\$50,000 \times 25\%) / 20$ ) is attributable to each of the 20 AC charger ports. Similarly, the cost of the smart charge management system is allocated in the same ratio, with \$937.50 ( $(\$25,000 \times 75\%) / 20$ ) allocated to each DCFC port, and \$312.50 ( $(\$25,000 \times 25\%) / 20$ ) to each AC charger charging port.

(4) Accordingly, If B does not meet the PWA requirements, B's tentative section 30C credit for each DCFC port is \$18,312.50 ( $\$15,000 + \$500 + \$1,875 + \$937.50$ ) multiplied by the 6% applicable rate, which equals \$1,098.75, and the section 30C credit for each AC charger charging port is \$6,437.50 ( $\$5,000 + \$500 + \$625 + \$312.50$ ) multiplied by the 6% applicable rate, which equals \$386.25. Because both \$1,098.75 and \$386.25 are less than the \$100,000 credit limit for depreciable property under paragraph (a)(4)(i)(A) of this section, the final section 30C credit for each DCFC port is also \$1,098.75, and the final section 30C credit

for each AC charger charging port is also \$386.25. B's total section 30C credit is \$29,700 (\$21,975 + \$7,725), the sum of the section 30C credit for each charging port that B placed in service ( $\$1,098.75 \times 20$ ) + ( $\$386.25 \times 20$ ) in the taxable year.

(5) If B meets the PWA requirements, B's tentative section 30C credit for each DCFC port is \$18,312.50 multiplied by the increased applicable percentage (30%) under paragraph (b)(3)(i) of this section, which equals \$5,493.75, and its tentative section 30C credit for each AC charger charging port is \$6,437.50 multiplied by 30%, or \$1,931.25. Because both \$5,493.75 and \$1,931.25 are less than the \$100,000 credit limit for depreciable property under paragraph (a)(4)(i)(A) of this section, the final section 30C credit for each DCFC port is also \$5,493.75 and the final section 30C credit for each AC charger charging port is also \$1,931.25. B's total section 30C credit is \$148,500, the sum of the section 30C credit for the 20 DCFC ports that B placed in service ( $\$5,493.75 \times 20 = \$109,875$ ) plus the sum of the section 30C credit for the 20 AC charger charging ports that B placed in service ( $\$1,931.25 \times 20 = \$38,625$ ) during the taxable year. The fact that this total credit exceeds the \$100,000 limit is not relevant because section 30C(b)(1) and paragraph (a)(4)(i)(A) of this section provide that the \$100,000 limit applies on a per-item basis and not as an aggregate limit.

(8) Example (8).

(i) Facts. The facts are the same as paragraph (e)(4) of this section (Example 4), except that B spends \$100,000 improving the land (for example, grading the land, installing a drainage system, and installing a paved surface). B also spends \$15,000 on fees related to permitting improvements to the land. Finally, B spends \$5,000 on "EV parking only" signs and striping on the pavement needed for the EV to access the charger.

(ii) Analysis. The costs for improving the land, associated permitting fees, and signs and striping are not 30C property because such costs are not functionally interdependent with the chargers or an integral part of the chargers. See §1.30C-1(b)(14) and (15). Therefore, the costs that B incurred to improve the land, to add the signage, and to stripe the pavement would not change the amount of the section 30C credit that B may claim.

(9) Example (5).

(i) Facts. The facts are the same as paragraph (e)(4) of this section (Example 4), except that B also installs and places in service a battery energy storage system as a backup source of electricity during power outages and to moderate electricity pricing. The battery energy storage system receives, stores, and delivers energy for conversion to electricity, and is located on the same or immediately adjacent physical address as the chargers and charging ports. The battery storage system is only used to support the chargers and does not provide electricity for any other purpose. The battery energy storage system costs \$20,000.

(ii) Analysis-

(A) 30C property. The battery energy storage system constitutes 30C property under §1.30C-1(b)(1)(i)(B) because it is for the recharging of motor vehicles, (specifically, it is an electrical energy storage property described in §1.30C-

1(25)(iii)), and it is located at the point where motor vehicles are recharged under §1.30C-1(b)(16)(ii) because its located on the same or immediately adjacent physical address as B's chargers.

(B) Calculation of the credit.

(1) The battery energy storage system is a single item of 30C property under paragraph (b)(1)(iii) of this section, and it constitutes a separate single item of 30C property from B's charging ports and the properties associated with the charging ports. Therefore, B should calculate the section 30C credit for the battery storage system separately from its credit arising from its costs for these other properties. B also should not allocate the cost of the battery energy storage system among the charging ports.

(2) Accordingly, if B does not meet the PWA requirements, B's tentative section 30C credit for the battery energy storage system is \$1,200 ( $\$20,000 \times 6\%$ ). Because this \$1,200 amount is less than the \$100,000 credit limit for depreciable property under paragraph (a)(4)(i)(A) of this section, the final section 30C credit for the battery energy storage system is also \$1,200. If B meets the PWA requirements, B's tentative section 30C credit for the battery energy storage system is \$6,000 ( $\$20,000 \times 30\%$ ). Because this \$6,000 amount is less than the \$100,000 credit limit for depreciable property under paragraph (a)(4)(i)(A) of this section, the final section 30C credit for the battery energy storage system is also \$6,000. It would not be relevant if B claimed \$100,000 or more in section 30C credits for other items of 30C property because section 30C(b)(1) and paragraph (a)(4)(i)(A) of this section provide that the \$100,000 limit applies on a per-item basis and not as an aggregate limit.

(3) If B claims a section 30C credit for the battery energy storage system, this would render such storage property to be primarily used in the transportation of goods or individuals and not for the production of electricity. As a result, the property would not satisfy the requirements under section 48 or 48E.

(10) Example (10).

(i) Facts. The facts are the same as paragraph (e)(4) of this section (Example 4), except that B participates in a local electric company incentive program. The electric company installs the electric panel, conduit/wiring, and load management system, for which the electric company retains ownership.

(ii) Analysis-

(A) 30C property. The DCFCs, pedestals, electric panel, conduit/wiring, and the smart charge management system all constitute 30C property, as explained in the analysis under paragraph (e)(4) of this section (Example 4). However, B does not own the electric panel, conduit/wiring, and load management system, and, as a result, may not include the cost of that property in calculating B's section 30C credit. B would only calculate the credit based on the 30C property the taxpayer owns, which is the DCFCs and pedestals. The electric company that owns the electric panel, conduit/wiring, and load management system cannot claim a section 30C credit for such property because it does not own the charging ports and therefore does not own a single item of 30C property, which is necessary to claim a section 30C credit. See paragraph (b)(1) of this section.

(B) Calculation of the credit.

(1) Under paragraph (b)(3) of this section, B's tentative section 30C credit for each single item of 30C property (each charging port) is the sum of the cost of that single item of 30C property (each charging port), the cost of directly attributable and traceable associated property, and the ratable share of the cost of other associated property multiplied by the applicable percentage as described in paragraph (a)(2) of this section (6% or 30%, depending on whether the PWA requirements are satisfied).

(2) To calculate the credit for each single item of 30C property (each of the 40 charging ports) B would add the cost of each charging port (\$15,000 (\$30,000 / 2)) to the cost (\$500 (\$1,000 / 2)) of directly attributable and traceable associated property (that is, the respective pedestal). The sum of these costs is \$15,500 for each charging port. If B does not meet the PWA requirements, B's tentative section 30C credit for each charging port is \$15,500 multiplied by the applicable percentage (6% under paragraph (b)(3)(i) of this section), which equals \$930 per single item. Because this \$930 amount is less than the \$100,000 credit limit for depreciable property under paragraph (a)(4)(i)(A) of this section, the final section 30C credit for each charging port is \$930. The total section 30C credit for B, if B does not meet the PWA requirements is \$37,200 (\$930 x 40).

(3) If B meets the PWA requirements, B's tentative section 30C credit for each charging port is \$15,500 multiplied by the increased applicable percentage (30%), which equals \$4,650 per single item. B's total section 30C credit, in this example, is \$186,000 (\$4,650 x 40). The fact that this total credit exceeds the \$100,000 limit is not relevant because section 30C(b)(1) and paragraph (a)(4)(i)(A) of this section provide that the \$100,000 limit applies on a per-item basis and not as an aggregate limit.

(11) Example (11).

(i) Facts. The facts are the same as paragraph (e)(4) of this section (Example 4), except that B engages with a local utility company providing charging services that installs the 30C property described in paragraph (e)(4) (Example 4) at the same physical address in the same taxable year at the utility company's expense, for which the utility company retains ownership.

(ii) Analysis. As the owner of the 30C property, the local utility company, and not B, would be eligible for a section 30C credit for such property, assuming all other statutory and regulatory requirements are met. The remainder of the analysis is the same as set forth in paragraph (e)(4) of this section (Example 4).

(12) Example (12).

(i) Facts. C owns a gasoline station. C decides to add retail hydrogen fueling capability to its existing gasoline station to facilitate the refueling of hydrogen fuel cell vehicles. C installs a bulk hydrogen storage tank (\$900,000), cryogenic pumps (\$5,000,000), evaporators associated with bulk storage (\$700,000), cascade storage system (\$1,300,000), electrical supply equipment used only for the hydrogen equipment (\$150,000), a high-conductivity concrete pad (necessary to prevent static discharge during fueling), firewalls, and piping (collectively, \$550,000) and two hydrogen dispensers (\$160,000 each) which include the dispensing control valves, connection hoses, hydrogen meters, and nozzles. All property is owned by C and is located at the point of refueling, meaning it is at the

same or immediately adjacent physical address. All costs include labor costs. The property is property of a character subject to depreciation. All property is placed in service in the year it is installed, in an eligible census tract as described in paragraph (c) of this section.

(ii) Analysis-

(A) 30C property. The bulk hydrogen storage tank, cryogenic pumps, evaporators, cascade storage system, electrical supply equipment, high-conductivity concrete pad, firewalls, piping, and two hydrogen dispensers are 30C property under §1.30C-1(b)(1). The cryogenic pumps and electrical supply equipment are functionally interdependent with the cascade high-pressure storage tank under §1.30C-1(b)(1)(i)(A) and (b)(14). The high-conductivity concrete pad, firewalls, and piping are functionally interdependent property with the dispensers, also under §1.30C-1(b)(1)(i)(A) and (b)(14). Collectively, this property is refueling property under §1.30C-1(b)(1)(i)(A). The evaporators are an integral part associated with the bulk hydrogen storage tank under §1.30C-1(b)(1)(i)(B) and (b)(15). The hydrogen storage system, cryogenic pumps, evaporators, cascade storage system, electrical supply equipment, high-conductivity concrete pad, firewalls, piping, and two hydrogen fuel dispensers meet the other requirements of §1.30C-1(b)(1)(iii) because the properties are each subject to an allowance for depreciation, the original use of the properties begins with C, and the properties are placed in service in an eligible census tract as described in paragraph (c) of this section.

(B) Calculation of the credit.

(1) The bulk hydrogen storage tank system and the cascade high-pressure storage system are each qualified alternative fuel storage property and each is a single item of 30C property under §1.30C-1(b)(1) and paragraph (b)(1) of this section. Although the cascade high-pressure storage system is comprised of multiple storage tanks, the system is treated as a single item of alternative fuel storage property. The dispensers are each single items of 30C property pursuant to §1.30C-1(b)(1) and paragraph (b)(1) of this section.

(2) Under paragraph (b)(3) of this section, the tentative section 30C credit for the bulk hydrogen storage tank is the sum of the cost of the bulk hydrogen storage tank plus the cost of the evaporators (that is, the only associated property that is directly attributable and traceable to the bulk hydrogen storage tank), multiplied by the applicable percentage (6% or 30%, depending on whether the PWA requirements are satisfied) pursuant to section 30C(a). Therefore, the tentative section 30C credit for the bulk hydrogen storage tank is \$96,000  $((\$900,000 + \$700,000) \times 6\%)$  if the PWA requirements are not met, or \$480,000  $((\$900,000 + \$700,000) \times 30\%)$  if the PWA requirements are met. Under paragraph (b)(3) of this section, the section 30C credit for the bulk hydrogen storage tank, after applying the \$100,000 limitation in paragraph (a)(4)(i)(A) of this section, is \$96,000 if the PWA requirements are not met, or \$100,000 if the PWA requirements are met.

(3) Under paragraph (b)(3) of this section, the costs taken into account in calculating the tentative section 30C credit for the cascade high-pressure storage system include the costs of any associated property that is directly attributable and

traceable to the cascade high-pressure storage system, or a ratable share of the costs if the associated property is directly attributable and traceable to more than one item of property. The functionally interdependent property associated with the cascade high-pressure storage tank (that is, the cryogenic pumps and electrical supply equipment) is directly attributable and traceable to the cascade high-pressure storage system and no other item of property. Therefore, the tentative section 30C credit for the cascade high-pressure storage system is the sum of the costs of the cascade storage system and cryogenic pumps, and electrical supply equipment (\$1,300,000 + \$5,000,000 + \$150,000), multiplied by the applicable percentage (6% or 30%, depending on whether the PWA requirements are satisfied). Therefore, the tentative section 30C credit for the cascade high-pressure storage system is \$387,000  $((\$1,300,000 + \$5,000,000 + \$150,000) \times 6\%)$  if the PWA requirements are not met, or \$1,935,000  $((\$1,300,000 + \$5,000,000 + \$150,000) \times 30\%)$  if the PWA requirements are met. Under paragraph (b)(3) of this section, the section 30C credit for the cascade high-pressure storage system, after applying the \$100,000 limitation in paragraph (a)(4)(i)(A) of this section, is \$100,000 if the PWA requirements are not met, or \$100,000 if the PWA requirements are met.

(4) The high-conductivity concrete pad, firewalls, and piping are functionally interdependent with the fuel dispensers; thus, the high-conductivity concrete pad, firewalls, and piping are associated property under paragraph (b)(2) of this section with respect to the dispensers. Because the high-conductivity concrete pad, firewalls, and piping are directly attributable and traceable to both fuel dispensers and no other single item of 30C property, half of the costs are allocated to each dispenser under paragraph (b)(2)(ii) of this section. Therefore, under paragraph (b)(3) of this section, the tentative section 30C credit for each fuel dispenser is the sum of the cost of each the hydrogen dispenser and half the cost of the high-conductivity concrete pad, firewalls, and piping are multiplied by the applicable percentage (6% or 30%, depending on whether the PWA requirements are satisfied). Therefore, the tentative section 30C credit for each fuel dispenser is \$26,100  $(\$160,000 + (\$550,000 / 2) \times 6\%)$  if the PWA requirements are not met, or \$130,500  $((\$160,000 + (\$550,000 / 2)) \times 30\%)$  if the PWA requirements are met. Under paragraph (b)(3) of this section, the final section 30C credit for each fuel dispenser, after applying the \$100,000 limitation in paragraph (a)(4)(i)(A) of this section, is \$26,100 if the PWA requirements are not met, or \$100,000 if the PWA requirements are met.

(5) If C does not meet the PWA requirements, C's total section 30C credit for the year is \$96,000 for the bulk hydrogen storage tank, plus \$100,000 for the cascade high-pressure storage tank, plus \$26,100 for each fuel dispenser, for a total of \$248,200. If C meets the PWA requirements, C's total section 30C credit for the year is \$100,000 for the bulk hydrogen storage tank, plus \$100,000 for the cascade high-pressure storage tank, plus \$100,000 for each fuel dispenser, for a total of \$400,000. The fact that this total credit exceeds the \$100,000 limit is not relevant because section 30C(b)(1) and paragraph (a)(4)(i)(A) of this section provide that the \$100,000 limit applies on a per-item basis and is not an aggregate limit.

(13) Example (13).

(i) Facts. G installs a time-fuel compressed natural gas (CNG) station to refuel its fleet of heavy-duty CNG trucks at a central lot near its warehouse. The station has 10 fuel dispensers. From the existing utility gas meter, G installs a gas line, dryer, filter, and gas compressor, which costs \$300,000. The gas compressor flows to buffer storage, which costs \$100,000. The buffer storage flows through a temperature compensation unit, which costs \$50,000, before flowing through to the dispensers, which dispense the CNG. Each fuel dispenser is capable of fueling at or above the dispenser's minimum rate of fueling, and has one hose and nozzle, which costs \$10,000 per fuel dispenser. All property is owned by G and is located at the point of refueling, meaning it is on the same or immediately adjacent physical address. All costs include labor costs. The address where G installs these properties is located in an eligible census tract as described in paragraph (c) of this section.

(ii) Analysis-

(A) 30C property. The gas line, dryer, filter, gas compressor, buffer storage, temperature compensation unit, and fuel dispensers are 30C property pursuant to §1.30C-1(b)(1) and paragraph (b)(1) of this section. The gas line, dryer, filter, gas compressor, and temperature compensation unit are functionally interdependent with the dispensers pursuant to §1.30C-1(b)(14). Together, these items of property constitute refueling property under §1.30C-1(b)(1)(i)(A). Each fuel dispenser, the gas line, dryer, filter, gas compressor, buffer storage, and temperature compensation unit, all meet the other requirements of §1.30C-1(b)(1)(iii) because the properties are each subject to an allowance for depreciation, the original use of the properties begins with G, and the properties are placed in service (as described in paragraph (b)(6) of this section) in an eligible census tract as described in paragraph (c) of this section.

(B) Calculation of the credit.

(1) Each fuel dispenser is a single item of 30C property pursuant to paragraph (b)(1)(ii) of this section and §1.30C-1(b)(12). The gas line, dryer, filter, gas compressor, and temperature compensation unit are each associated property pursuant to paragraph (b)(2) of this section, and their cost is allocated ratably to each dispenser  $((\$300,000 + \$50,000) / 10 = \$35,000)$ . The buffer storage is a single item of 30C property pursuant to §1.30C-1(b)(1) and paragraph (b)(1) of this section.

(2) If G does not meet the PWA requirements, under paragraph (b)(3)(i) of this section, the tentative section 30C credit for each fuel dispenser is the sum of the cost of that single item of 30C property (that is, the fuel dispenser) (\$10,000) and the ratable share of the cost of other associated property (\$35,000) multiplied by the applicable percentage (6%), or \$2,700,  $((\$10,000 + \$35,000) \times 6\% = \$2,700)$ . The tentative section 30C credit for the cost of the buffer storage is the cost of the buffer storage multiplied by the applicable percentage (6%) or \$6,000  $(\$100,000 \times 6\% = \$6,000)$ . Under paragraph (b)(3) of this section, after applying the \$100,000 limitation in paragraph (a)(4)(i)(A) of this section, if the PWA requirements are not met, the final section 30C credit for each fuel dispenser is

\$2,700 and the final section 30C credit for the buffer storage is \$6,000. The total section 30C credit is \$33,000 ( $(\$2,700 \times 10) + \$6,000$ ).

(3) If G meets the PWA requirements, the tentative section 30C credit under paragraph (b)(3) of this section for each dispenser is \$13,500,  $((\$10,000 + \$35,000) \times 30\% = \$13,500)$ . The tentative section 30C credit for the buffer storage is \$30,000  $(\$100,000 \times 30\% = \$30,000)$ . Under paragraph (b)(3) of this section, after applying the \$100,000 limitation in paragraph (a)(4)(i)(A) of this section, if the PWA requirements are met, the final section 30C credit for each fuel dispenser is \$13,500 and the final section 30C credit for the buffer storage is \$30,000. The total section 30C credit is \$165,000  $((\$13,500 \times 10) + \$30,000)$ . The fact that this total credit exceeds the \$100,000 limit is not relevant because the \$100,000 limit applies on a per-item basis and is not an aggregate limit.

(14) Example (14).

(i) Facts. The facts are the same as paragraph (e)(13) of this section (Example 13), except that G also installs a local utility line (\$400,000) and gas utility meter (\$5,000) to service its CNG refueling station. The portion of cost of the local utility line on the same or immediately adjacent physical address as the CNG dispensers is \$100,000. The gas utility meter is also on the same or immediately adjacent physical address as the CNG dispensers. All property is owned by G. All costs include labor costs. Each of the above properties is property of a character subject to depreciation and is placed in service at the time it is installed. The physical address where G installs a portion of the local utility line and gas utility meter is located in an eligible census tract as described in paragraph (c) of this section.

(ii) Analysis-

(A) 30C property. The portion of the local utility line that is on the same or immediately adjacent physical address as the CNG dispensers and gas utility meter are 30C property pursuant to §§1.30C-1(b)(1) and paragraph (b)(1) of this section. The portion of the local utility line that is on the same or immediately adjacent physical address as the CNG dispensers is located at the point of refueling under §1.30-1(b)(16). (The remaining portion is not located at the point of refueling and is therefore not 30C property.) The gas meter is also located at the point of refueling under §1.30-1(b)(16) because it is on the same or immediately adjacent physical address as the CNG dispensers. Further, the portion of the local utility line that is on the same or immediately adjacent physical address as the CNG dispensers and the gas meter constitute integral part property with respect to the fuel dispensers under §1.30C-1(b)(15). Together with the gas line, dryer, filter, gas compressor, and temperature compensation unit, the utility line and the gas meter are refueling property under §1.30C-1(b)(1)(i)(A).

(B) Calculation of the credit.

(1) Each fuel dispenser is a single item of 30C property pursuant to paragraph (b)(1)(ii) of this section and §1.30C-1(b)(12). The local utility line and gas utility meter are each associated property pursuant to paragraph (b)(2) of this section. Their costs are allocated ratably to each dispenser  $((\$100,000 + \$5,000) / 10 = \$10,500)$  under paragraph (b)(2)(ii) of this section.

(2) If G does not meet the PWA requirements, under paragraph (b)(3) of this section, the tentative section 30C credit for each fuel dispenser is the sum of the dispenser, the ratable cost of the gas line, dryer, filter, the gas compressor and temperature compensation unit, and the ratable share of the local utility line and gas utility meter, multiplied by the applicable percentage (6%), or \$3,330,  $((\$10,000 + \$35,000 + \$10,500) \times 6\% = \$3,330)$ . The tentative section 30C credit for the cost of the buffer storage is \$6,000  $(\$100,000 \times 6\% = \$6,000)$ . Under paragraph (b)(3) of this section, after applying the \$100,000 limitation in paragraph (a)(4)(i)(A) of this section, if the PWA requirements are not met, the final section 30C credit for each fuel dispenser is \$3,330 and the final section 30C credit for the buffer storage is \$6,000. The total section 30C credit is \$39,330  $((\$3,330 \times 10) + \$6,000)$ .

(3) If G meets the PWA requirements, the tentative section 30C credit for each dispenser is \$16,650,  $((\$10,000 + \$35,000 + \$10,500) \times 30\% = \$16,650)$ . The tentative section 30C credit for the cost of the buffer storage is \$30,000  $(\$100,000 \times 30\% = \$30,000)$ . Under paragraph (b)(3) of this section, after applying the \$100,000 limitation in paragraph (a)(4)(i)(A) of this section, if the PWA requirements are met, the final section 30C credit for each fuel dispenser is \$16,650 and the final section 30C credit for the buffer storage is \$30,000. The total section 30C credit is \$196,500  $((\$16,650 \times 10) + \$30,000)$ . The fact that this total credit exceeds the \$100,000 limit is not relevant because the \$100,000 limit applies on a per-item basis and is not an aggregate limit.

(15) Example (15).

(i) Facts. W installs a refueling station that is used to refuel forklift trucks with qualified alternative fuel.

(ii) Analysis. The refueling station is not 30C property under §1.30C-1(b)(1) and paragraph (b)(1) of this section. Section 1.30C-1(b)(1)(i)(A) requires that 30C property must be used to store or dispense qualified alternative fuel at the point where the fuel is dispensed into the fuel tank of a "motor vehicle." Although a forklift truck occasionally may be operated on public roads, it is manufactured primarily for hauling loads in factories, warehouses, and other similar settings, and not for use on public streets, roads, and highways. Therefore, a forklift truck is not a "motor vehicle" for purposes of the section 30C credit under §1.30C-1(b)(17).

(f) Claim requirements. A taxpayer claiming the section 30C credit must attach a Form 8911, Alternative Fuel Vehicle Refueling Property Credit, or any successor form required by the IRS, completed in accordance with the form instructions, and file it with the return on which the section 30C credit is claimed.

(g) Applicability date. This section applies to property placed in service in taxable years ending after [date of publication of final regulations in the Federal Register].