



Clean Energy Tax Incentives for ESBs

Good news for Clean School Bus funding recipients!

The U.S. Dept. of the Treasury and Internal Revenue Service recently finalized rules under the Inflation Reduction Act to help school districts and other qualifying entities claim clean energy tax credits when they invest in commercial clean vehicles, like electric school buses, and charging equipment. Those who qualify can get tax credits as direct payments from the IRS.

These benefits were designed for entities that have not previously been allowed to claim them, such as schools; state, local, and Tribal governments; nonprofit organizations; U.S. territories; hospitals; and places of worship.

Clean School Bus funding recipients may be eligible for the following tax credits:

- [30C: Alternative Fuel Vehicle Refueling Property Credit](#): Up to \$100,000 for charging and refueling infrastructure
- [45W: Commercial Clean Vehicle Credit](#): Up to \$40,000 for qualified clean vehicles

Additional credits

Qualifying projects that meet additional criteria may be eligible for additional tax credits. See “Bonus incentive credits” on the [IRS website](#) for details on these proposed credits. Among those that can receive bonuses are:

- [Low-income communities](#)
- Entities that pay [prevailing wages and meet apprenticeship requirements](#)

Stack credits with tax-exempt grants and forgivable loans

According to proposed IRS guidance, public entities can partially fund clean energy projects using grant money and still receive the full value of tax credits. The World Resources Institute addresses this in [5 Tips for Leveraging Direct Pay Provision to Maximize Clean Energy Investment Benefits](#).



Learn more

This topic is evolving rapidly; in fact, some guidance has not yet been finalized. These resources provide the latest details to help you apply for direct pay benefits.

Internal Revenue Service

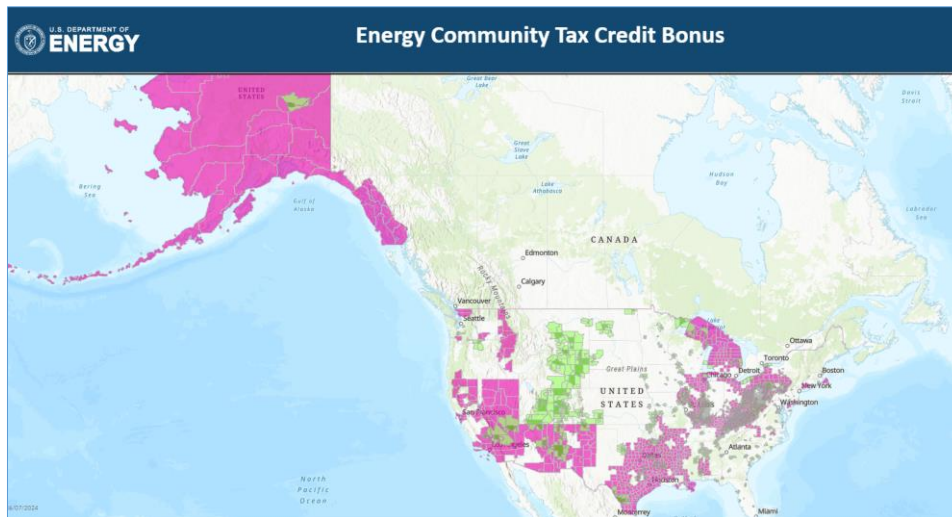
- [Clean Vehicle and Energy Credits](#)
- [Overview of Elective Pay & Transferability](#)
- [Elective Pay & Transferability FAQs](#)
- [Pre-Filing Registration Tool User Guide](#)
- [Credits & deductions](#) – Clean school bus funding recipients should to check back for more details on tax credits 30C and 45W
- [IRS email](#) for technical issues with the pre-filing portal

U.S Environmental Protection Agency

- [Tax Credits](#)
- [Clean School Bus website](#) – Check for upcoming funding opportunities
- Sign up for the [listserv](#) to be notified of the next funding opportunity

U.S. Dept. of Energy

- [Low-Income Communities Bonus Credit Program - Office of Energy Justice and Equity](#)
- [30C Tax Credit Eligibility Locator](#)
- [Community Mapping Tool-Tax Credit Bonus](#)



Map from U.S. DOE's [Community Mapping Tool-Tax Credit Bonus](#)

U.S. Dept. of Treasury

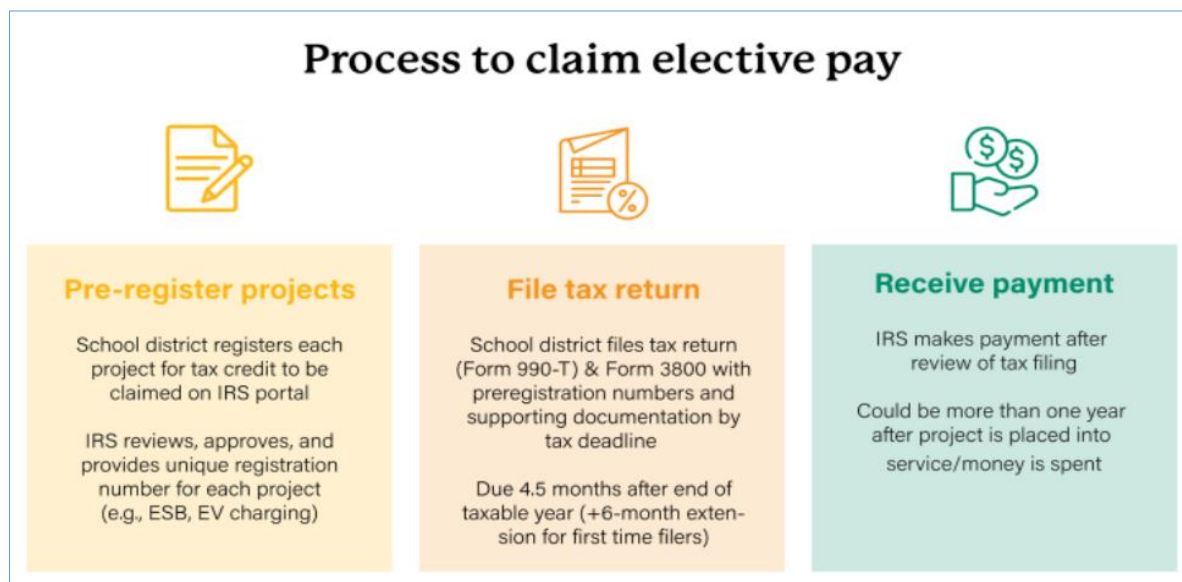
- [Guidance to Build out U.S. Clean Vehicle Charging Infrastructure](#)
- [How the Inflation Reduction Act's Tax Incentives Ensure All Americans Benefit from Growth of the Clean Energy Economy](#)
- [Guidance on Provisions to Expand Reach of Clean Energy Tax Credits](#)

Lawyers for Good Government

- [FAQ Elective Pay](#)
- [Elective Pay & IRA Tax Incentives Resources](#)
- [Regulations & Guidance from IRS & Treasury](#)

World Resources Institute – ESB Initiative

- [All About Electric School Bus Tax Credits](#)
- [Free 1-on-1 office hours](#)



Graphic from WRI's [All About Electric School Bus Tax Credits](#)



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 WSU Energy Program
 WSUEEP24-003 • April 2024

Updated June 2024

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