# The Electrification Coalition's Elective Pay Guidance: Form 8936

This document provides a step-by-step walkthrough of how to fill out Form 8936 to receive elective pay for the Commercial Clean Vehicle Tax Credit. Applicants must be registered with the IRS in order to submit an application, and must submit the form annotated in this document along with Schedule A (Form 8936), Form 990-T, and Form 3800.

Form **8936** — **Clean Vehicle Credits** — OMB No. 1545-2137 — **2023** — Attachment Sequence No. **69**

Department of the Treasury
Internal Revenue Service

Attach to your tax return.
Go to *www.irs.gov/Form8936* for instructions and the latest information.

Name(s) shown on return | **Identifying number**

**Notes:** • Complete a separate Schedule A (Form 8936) for each clean vehicle placed in service during the tax year.
• Individuals completing Parts II, III, or IV, must also complete Part I. See "Note" text below.

**Part I — Modified Adjusted Gross Income Amount**

| | | | |
|---|---|---|---|
| 1a | Enter the amount from line 11 of your 2023 Form 1040, 1040-SR, or 1040-NR | 1a | |
| b | Enter any income from Puerto Rico you excluded | 1b | |
| c | Enter any amount from Form 2555, line 45 | 1c | |
| d | Enter any amount from Form 2555, line 50 | 1d | |
| e | Enter any amount from Form 4563, line 15 | 1e | |
| 2 | Add lines 1a through 1e | 2 | |
| 3a | Enter the amount from line 11 of your 2022 Form 1040, 1040-SR, or 1040-NR | 3a | |
| b | Enter any income from Puerto Rico you excluded | 3b | |
| c | Enter any amount from Form 2555, line 45 | 3c | |
| d | Enter any amount from Form 2555, line 50 | 3d | |
| e | Enter any amount from Form 4563, line 15 | 3e | |
| 4 | Add lines 3a through 3e | 4 | |
| 5 | Enter the **smaller** of line 2 or line 4 | 5 | |

**Part II — Credit for Business/Investment Use Part of New Clean Vehicles**

**Note:** Individuals can't claim a credit on line 6 if Part I, line 5, is more than $150,000 ($300,000 if married filing jointly or a qualifying surviving spouse; $225,000 if head of household).

| | | | |
|---|---|---|---|
| 6 | Enter the total credit amount figured in Part II of Schedule(s) A (Form 8936) | 6 | |
| 7 | New clean vehicle credit from partnerships and S corporations (see instructions) | 7 | |
| 8 | **Business/investment use part of credit.** Add lines 6 and 7. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 1y | 8 | |

**Part III — Credit for Personal Use Part of New Clean Vehicles**

**Note:** You can't claim the Part III credit if Part I, line 5, is more than $150,000 ($300,000 if married filing jointly or a qualifying surviving spouse; $225,000 if head of household).

| | | | |
|---|---|---|---|
| 9 | Enter the total credit amount figured in Part III of Schedule(s) A (Form 8936) | 9 | |
| 10 | Enter the amount from Form 1040, 1040-SR, or 1040-NR, line 18 | 10 | |
| 11 | Personal credits from Form 1040, 1040-SR, or 1040-NR (see instructions) | 11 | |
| 12 | Subtract line 11 from line 10. If zero or less, enter -0- and stop here. You can't claim the personal use part of the credit | 12 | |
| 13 | **Personal use part of credit.** Enter the **smaller** of line 9 or line 12 here and on Schedule 3 (Form 1040), line 6f. If line 12 is smaller than line 9, see instructions | 13 | |

**Part IV — Credit for Previously Owned Clean Vehicles**

**Note:** You can't claim the Part IV credit if Part I, line 5, is more than $75,000 ($150,000 if married filing jointly or a qualifying surviving spouse; $112,500 if head of household).

| | | | |
|---|---|---|---|
| 14 | Enter the total credit amount figured in Part IV of Schedule(s) A (Form 8936) | 14 | |
| 15 | Enter the amount from Form 1040, 1040-SR, or 1040-NR, line 18 | 15 | |
| 16 | Personal credits from Form 1040, 1040-SR, or 1040-NR (see instructions) | 16 | |
| 17 | Subtract line 16 from line 15. If zero or less, enter -0- and stop here. You can't claim the Part IV credit | 17 | |
| 18 | Enter the **smaller** of line 14 or line 17 here and on Schedule 3 (Form 1040), line 6m. If line 17 is smaller than line 14, see instructions | 18 | |

**Part V — Credit for Qualified Commercial Clean Vehicles**

| | | | |
|---|---|---|---|
| 19 | Enter the total credit amount figured in Part V of Schedule(s) A (Form 8936) | 19 | |
| 20 | Qualified commercial clean vehicle credit from partnerships and S corporations (see instructions) | 20 | |
| 21 | Add lines 19 and 20. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 1aa | 21 | |

**For Paperwork Reduction Act Notice, see separate instructions.** Cat. No. 37751E Form **8936** (2023)

**Clean Vehicle Credits (Form 8936)**

Applicants need only complete one Form 8936, regardless of number of vehicles sought for credit. Information gathered from all completed Schedule A forms is required to complete this form.

Enter the value from Line 26 in Part V of Schedule A. If claiming credits for multiple vehicles, enter the sum of the values from Line 26 of each Schedule A completed.

**Further questions on filing? Visit our Inflation Reduction Act Resource Page, or email Infrastructure@ElectrificationCoalition.org**

# The Electrification Coalition's Elective Pay Guidance: Schedule A (Form 8936)

This document provides a step-by-step walkthrough of how to fill out Schedule A (Form 8936) to receive elective pay for the Commercial Clean Vehicle Tax Credit. Applicants must be registered with the IRS in order to submit an application and must submit the form annotated in this document along with Form 8936, Form 990-T, and Form 3800.

**SCHEDULE A (Form 8936)**

Department of the Treasury
Internal Revenue Service

**Clean Vehicle Credit Amount**

**Attach to your tax return.**
**Go to *www.irs.gov/Form8936* for instructions and the latest information.**

OMB No. 1545-2137
**2023**
Attachment Sequence No. **69A**

Name(s) shown on return | **Identifying number**

**Part I Vehicle Details**

**1a** Year . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ______

**b** Make . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ______

**c** Model . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ______

**2** Vehicle identification number (VIN) (see instructions) . . ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

**3** Enter date vehicle was placed in service (MM/DD/YYYY) . . . . . . . . . . . . . ______

**4** Was the vehicle used primarily outside the United States? Answer "No" if it was but an exception applies. See instructions.
☐ **Yes. Stop here.** You can't claim a credit amount for a vehicle used primarily outside the United States.
☒ **No.**

**5** Does the VIN entered on line 2 belong to a **new clean vehicle** placed in service during the tax year? See instructions for definitions.
☐ **Yes.** Go to Part II.
☒ **No.** Go to line 6.

**6** Does the VIN entered on line 2 belong to a **previously owned clean vehicle** acquired after 2022 and placed in service during the tax year? See instructions for definitions.
☐ **Yes.** Go to Part IV.
☒ **No.** Go to line 7.

**7** Does the VIN entered on line 2 belong to a **qualified commercial clean vehicle** acquired after 2022 and placed in service during the tax year? See instructions for definitions.
☒ **Yes.** Go to Part V.
☐ **No. Stop here.** You can't use this schedule to figure a credit amount for a vehicle not described on line 5, 6, or 7.

**Part II Credit Amount for Business/Investment Use Part of New Clean Vehicle**

**8** Did you acquire the vehicle for use or to lease to others, and not for resale? Answer "No" if you are leasing the vehicle from another person.
☐ **Yes.**
☐ **No. Stop here.** You can't claim a credit amount for a vehicle you didn't acquire for use or to lease to others, or acquired for resale.

**9** Tentative credit amount (see instructions) . . . . . . . . . . . . . . . . . **9**

**10** Business/investment use percentage (see instructions) . . . . . . . . . . . . . **10** %

**11** Multiply line 9 by line 10. Include this credit amount on line 6 in Part II of Form 8936. If you entered 100% on line 10, stop here. Otherwise, go to Part III below . . . . . . . . **11**

**Part III Credit Amount for Personal Use Part of New Clean Vehicle**

**12** Subtract line 11 from line 9 in Part II. Stop here and include this credit amount on line 9 in Part III of Form 8936 . . . . . . . . . . . . . . . . . . . . . . . **12**

**For Paperwork Reduction Act Notice, see the Form 8936 instructions.** Cat. No. 93602W **Schedule A (Form 8936) 2023**

**Clean Vehicle Credit - Schedule A**

Applicants must submit a Schedule A for each vehicle they wish to receive credit for. All Schedule A forms must be completed before proceeding to Form 8936.

Enter basic information: vehicle year, make, model, and Vehicle Identification Number (VIN)

The "Placed in Service" date is date vehicle was put in use, not the date the vehicle was purchased.

The Qualified Commercial Clean Vehicle Credit is the only eligible option for elective pay applicants.

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## Part IV Credit Amount for Previously Owned Clean Vehicle

**13a** Is the sales price of the vehicle more than $25,000?
- ☐ **Yes. Stop here.** The vehicle doesn't qualify for the Part IV credit.
- ☐ **No.**

**b** Did you acquire the vehicle for use and not for resale? Answer "No" if you are leasing the vehicle from another person.
- ☐ **Yes.**
- ☐ **No. Stop here.** You can't claim a credit amount for a vehicle you didn't acquire for use or acquired for resale.

**c** Can you be claimed as a dependent on another person's tax return, such as your parent's return?
- ☐ **Yes. Stop here.** You can't claim a credit amount if you can be claimed as a dependent.
- ☐ **No.**

**d** Is the vehicle a qualified fuel cell motor vehicle? See instructions.
- ☐ **Yes.**
- ☐ **No.**

| | | | |
|---|---|---|---|
| 14 | Enter the sales price of the vehicle | 14 | |
| 15 | Multiply line 14 by 30% (0.30) | 15 | |
| 16 | Maximum vehicle credit amount | 16 | $4,000 |
| 17 | Enter the smaller of line 15 or line 16. Stop here and include this credit amount on line 14 in Part IV of Form 8936 | 17 | |

## Part V Credit Amount for Qualified Commercial Clean Vehicle

Part V captures remaining elements needed to claim Qualified Commercial Clean Vehicle Credit

**18a** Is the vehicle of a character subject to the allowance for depreciation? Answer "Yes" if the exception for certain tax-exempt entities discussed in the instructions applies.
- ☒ **Yes.**
- ☐ **No. Stop here.** The vehicle is not a qualified commercial clean vehicle unless the exception applies.

**b** Did you acquire the vehicle for use or to lease to others, and not for resale? Answer "No" if you are leasing the vehicle from another person.
- ☒ **Yes.**
- ☐ **No. Stop here.** You can't claim a credit amount for a vehicle you didn't acquire for use or to lease to others, or acquired for resale.

**c** Is the vehicle also powered by gas or diesel? See instructions.
- ☐ **Yes.**
- ☒ **No.**

100% battery electric vehicles (BEVs) are eligible for the full credit amount. Plug-in hybrid vehicles (PHEVs) are eligible for a reduced amount.

| | | | |
|---|---|---|---|
| 19 | Enter the cost or other basis of the vehicle. See instructions | 19 | |
| 20 | Section 179 expense deduction (see instructions) | 20 | |
| 21 | Subtract line 20 from line 19 | 21 | |
| 22 | Multiply line 21 by 15% (0.15) [30% (0.30) if the answer on line 18c above is "No"] | 22 | |
| 23 | Enter the incremental cost of the vehicle. See instructions | 23 | |
| 24 | Enter the smaller of line 22 or line 23 | 24 | |
| 25 | **Maximum credit.** Enter $7,500 ($40,000 if the vehicle's gross vehicle weight rating (GVWR) is 14,000 pounds or more) | 25 | |
| 26 | Enter the smaller of line 24 or line 25. Include this credit amount on line 19 in Part V of Form 8936 | 26 | |

Enter vehicle purchase price.

BEVs file for 30%. PHEVs file for 15%.

For light-duty BEVs: $7,500
For medium- and heavy-duty BEVs: $40,000



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