

This does not constitute tax advice. All persons considering use of available incentives should consult with their own tax professional to determine eligibility, specific amount of benefit available, if any, and further details.

STATE OF CALIFORNIA

Zero Emission Light-Duty Vehicle Rebates

Short Description: Cash rebate of up to \$4,500 (based on gross annual income) on the Nissan Leaf that the California Air Resources Board has approved or certified.

Beneficiary: Purchaser or lessee of Electric Vehicle.

Type of Incentive: Cash Rebate

Effective Dates: Current Benefit, expected funding through 2023.

Value of Benefit: Rebates of up to \$4,500 per light duty vehicle are available for individuals and business owners who purchase or lease new eligible zero emission or plug-in vehicles. The rebate amount varies based on gross annual income from the individual's tax return as well as vehicle purchased or leased. The rebate can be applied for at the Clean Vehicle Rebate Project Website (follow the links below to apply).

Full Description:

Clean Vehicle Rebate Project (CVRP) offers rebates for the purchase or lease of qualified vehicles. Qualified vehicles are light-duty zero emission vehicles and plug-in hybrid electric vehicles (PHEVs) the California Air Resources Board (ARB) has approved or certified. The rebates are for up to \$5,000 for fuel cell electric vehicles (FCEVs), \$2,500 for battery electric vehicles, \$1,500 for PHEVs, and \$900 for zero emission motorcycles. Rebates are available on a first-come, first-served basis to individuals, business owners, and government entities in California that purchase or lease new eligible vehicles. Residents of San Diego County may be eligible for a preapproved rebate through the CVRP Rebate Now pilot. Manufacturers must apply to ARB to have their vehicles included in the CVRP.

Individuals are eligible for the rebate based on gross annual income, as stated on the individual's federal tax return. Individuals with a gross annual income above the following thresholds are only eligible for rebates for FCEVs:

- \$150,000 for single filers
- \$204,000 for head-of-household filers
- \$300,000 for joint filers

For individuals with low and moderate household incomes of less than or equal to 300% of the federal poverty level, rebates are increased by \$2,000, for a total rebate amount of up to \$4,500 for battery electric vehicles. Increased rebates are available for ARB-approved FCEVs, PHEVs, and battery electric vehicles. ARB must provide outreach to low income households and communities to raise awareness about CVRP. Through January 1, 2022, ARB must prioritize rebate payments for low income applicants.

ARB determines annual funding amounts for the CVRP, which is expected to be effective through 2023. ARB must submit a report to the State Legislature on the environmental and economic impacts of the CVRP by December 31, 2018. For more information, including information on income verification, a list of eligible vehicles, and instructions on how to apply, see the CVRP website.

(Reference Assembly Bill 2885, 2018, and California Health and Safety Code 44274 and 44258)

State Statutory References:

California Health and Safety Code 44274

http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=26.&title=&part=5.&chapter=8.9.&article=3

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California Health and Safety Code 44258

http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=26.&title=&part=5.&chapter=8.5.&article=

Other Link(s):

CVRP website: <http://energycenter.org/clean-vehicle-rebate-project>

AFDC Website: <http://www.afdc.energy.gov/laws/8161>

Contact Info:

Clean Fuel Vehicle Rebate Project: 1-866-984-2532



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HEALTH AND SAFETY CODE - HSC

DIVISION 26. AIR RESOURCES [39000 - 44474] (*Division 26 repealed and added by Stats. 1975, Ch. 957.*)

PART 5. VEHICULAR AIR POLLUTION CONTROL [43000 - 44299.91] (*Part 5 added by Stats. 1975, Ch. 957.*)

CHAPTER 8.9. California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 [44270 - 44274.7] (*Chapter 8.9 added by Stats. 2007, Ch. 750, Sec. 5.*)

ARTICLE 3. The Air Quality Improvement Program [44274 - 44274.7] (*Article 3 heading added by Stats. 2008, Ch. 313, Sec. 8.*)

44274. (a) The Air Quality Improvement Program is hereby created. The program shall be administered by the state board, in consultation with the districts. The state board shall develop guidelines to implement the program. Prior to the adoption of the guidelines, the state board shall hold at least one public hearing. In addition, the state board shall hold at least three public workshops with at least one workshop in northern California, one in the central valley, and one in southern California. The purpose of the program shall be to fund, upon appropriation by the Legislature, air quality improvement projects relating to fuel and vehicle technologies. The primary purpose of the program shall be to fund projects to reduce criteria air pollutants, improve air quality, and provide funding for research to determine and improve the air quality impacts of alternative transportation fuels and vehicles, vessels, and equipment technologies.

(b) The state board shall provide preference in awarding funding to those projects with higher benefit-cost scores that maximize the purposes and goals of the Air Quality Improvement Program. The state board also may give additional preference based on the following criteria, as applicable, in funding awards to projects:

- (1) Proposed or potential reduction of criteria or toxic air pollutants.
- (2) Contribution to regional air quality improvement.
- (3) Ability to promote the use of clean alternative fuels and vehicle technologies as determined by the state board, in coordination with the commission.
- (4) Ability to achieve climate change benefits in addition to criteria pollutant or air toxic emissions reductions.
- (5) Ability to support market transformation of California's vehicle or equipment fleet to utilize low carbon or zero-emission technologies.
- (6) Ability to leverage private capital investments.

(c) The program shall be limited to competitive grants, revolving loans, loan guarantees, loans, and other appropriate funding measures that further the purposes of the program. Projects to be funded shall include only the following:

- (1) Onroad and off-road equipment projects that are cost effective.
- (2) Projects that provide mitigation for off-road gasoline exhaust and evaporative emissions.
- (3) Projects that provide research to determine the air quality impacts of alternative fuels and projects that study the life-cycle impacts of alternative fuels and conventional fuels, the emissions of biofuel and advanced reformulated gasoline blends, and air pollution improvements and control technologies for use with alternative fuels and vehicles.
- (4) Projects that augment the University of California's agricultural experiment station and cooperative extension programs for research to increase sustainable biofuels production and improve the collection of biomass feedstock.
- (5) Incentives for small off-road equipment replacement to encourage consumers to replace internal combustion engine lawn and garden equipment.
- (6) Incentives for medium- and heavy-duty vehicles and equipment mitigation, including all of the following:
 - (A) Lower emission schoolbus programs.
 - (B) Electric, hybrid, and plug-in hybrid onroad and off-road medium- and heavy-duty equipment.
 - (C) Regional air quality improvement and attainment programs implemented by the state or districts in the most impacted regions of the state.
- (7) Workforce training initiatives related to advanced energy technology designed to reduce air pollution,

including state-of-the-art equipment and goods, and new processes and systems. Workforce training initiatives funded shall be broad-based partnerships that leverage other public and private job training programs and resources. These partnerships may include, though are not limited to, employers, labor unions, labor-management partnerships, community organizations, workforce investment boards, postsecondary education providers including community colleges, and economic development agencies.

(8) Incentives to identify and reduce emissions from high-emitting light-duty vehicles.

(d) (1) Beginning January 1, 2011, the state board shall submit to the Legislature a biennial report to evaluate the implementation of the Air Quality Improvement Program established pursuant to this chapter.

(2) The report shall include all of the following:

(A) A list of projects funded by the Air Quality Improvement Account.

(B) The expected benefits of the projects in promoting clean, alternative fuels and vehicle technologies.

(C) Improvement in air quality and public health, greenhouse gas emissions reductions, and the progress made toward achieving these benefits.

(D) The impact of the projects in making progress toward attainment of state and federal air quality standards.

(E) Recommendations for future actions.

(3) The state board may include the information required to be reported pursuant to paragraph (1) in an existing report to the Legislature as the state board deems appropriate.

(Amended by Stats. 2013, Ch. 401, Sec. 14. Effective September 28, 2013.)

44274.5. The Air Quality Improvement Fund is hereby created in the State Treasury, to be administered by the state board. The moneys in the Air Quality Improvement Fund, upon appropriation by the Legislature, shall be expended by the state board in accordance with this chapter to implement the Air Quality Improvement Program. The Legislature may transfer moneys from the fund to the Carl Moyer Memorial Air Quality Standards Attainment Trust Fund.

(Ad 1, 2008.)

44274.7. (a) Notwithstanding any other provision of this chapter, funds appropriated by the Legislature to the state board from the Air Quality Improvement Fund in the Budget Act of 2008, not used to implement the Air Quality Improvement Program, shall be expended by the state board to provide financial assistance to owners and operators of on-road heavy-duty diesel-fueled motor vehicles for costs associated with early compliance with both of the following regulations:

(1) Regulations to reduce emissions of diesel particulate matter, oxides of nitrogen, and other criteria pollutants, and greenhouse gases from in-use heavy-duty diesel-fueled vehicles.

(2) Regulations to reduce greenhouse gas emissions from heavy-duty tractors and 53-foot box-type trailers that transport freight on state highways.

(b) Funds shall be expended for low- or zero-interest loans or grants.

(c) Priority for funding shall be provided to both of the following:

(1) Owners of less than three on-road heavy-duty diesel-fueled motor vehicles and to those owners and operators most heavily impacted by the regulations described in subdivision (a) who demonstrate financial hardship as determined by the state board.

(2) On-road heavy-duty diesel-fueled motor vehicles that are used for short-haul trucking, including short-haul trucking that crosses state or federal borders where there are significant air pollution impacts in the state.

(d) The state board may contract with the Treasurer for assistance in expending funds through programs implemented by the Treasurer.

(e) The state board shall maximize use of the funds described in this section with other funds that may be available for on-road heavy-duty diesel-fueled motor vehicle pollution reduction, including, but not limited to, the Goods Movement Emission Reduction Program (Chapter 3.2 (commencing with Section 39625) of Part 2) and the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275)).

(f) By January 1, 2010, and each January 1 thereafter until all funds are expended, the state board shall report to the Legislature on the implementation of this section, including, but not limited to, the types of financial assistance provided.

(Added by Stats. 2008, Ch. 760, Sec. 13. Effective September 30, 2008.)



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HEALTH AND SAFETY CODE - HSC

DIVISION 26. AIR RESOURCES [39000 - 44474] *(Division 26 repealed and added by Stats. 1975, Ch. 957.)*

PART 5. VEHICULAR AIR POLLUTION CONTROL [43000 - 44299.91] *(Part 5 added by Stats. 1975, Ch. 957.)*

CHAPTER 8.5. Charge Ahead California Initiative [44258 - 44258.5] *(Chapter 8.5 added by Stats. 2014, Ch. 530, Sec. 3.)*

44258. For purposes of this chapter, the following terms have the following meanings:

- (a) "Car sharing" means a model of vehicle rental where users can rent vehicles for short periods of time and users are members that have been preapproved to drive.
- (b) "Disadvantaged community" means a community identified by the California Environmental Protection Agency pursuant to Section 39711.
- (c) "Near-zero-emission vehicle" means a vehicle that utilizes zero-emission technologies, enables technologies that provide a pathway to zero-emissions operations, or incorporates other technologies that significantly reduce criteria pollutants, toxic air contaminants, and greenhouse gas emissions, as defined by the state board in consultation with the State Energy Resources Conservation and Development Commission consistent with meeting the state's mid- and long-term air quality standards and climate goals.
- (d) "Zero-emission vehicle" means a vehicle that produces no emissions of criteria pollutants, toxic air contaminants, and greenhouse gases when stationary or operating, as determined by the state board.

(Ad 14, Ch. 530, Sec. 3. Effective January 1, 2015)

44258.4. (a) Any moneys utilized by this act from the Greenhouse Gas Reduction Fund, established pursuant to Section 16428.8 of the Government Code, shall be consistent with the appropriations processes and criteria established by the Greenhouse Gas Reduction Fund Investment Plan and Communities Revitalization Act (Chapter 4.1 (commencing with Section 39710) of Part 2).

(b) The Charge Ahead California Initiative is hereby established and shall be administered by the state board. The goals of this initiative are to place in service at least 1,000,000 zero-emission and near-zero-emission vehicles by January 1, 2023, to establish a self-sustaining California market for zero-emission and near-zero-emission vehicles in which zero-emission and near-zero-emission vehicles are a viable mainstream option for individual vehicle purchasers, businesses, and public fleets, to increase access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles, and to increase the placement of those vehicles in those communities and with those consumers to enhance the air quality, lower greenhouse gases, and promote overall benefits for those communities and consumers.

(c) The state board, in consultation with the State Energy Resources Conservation and Development Commission, districts, and the public, shall do all of the following:

(1) (A) Include, commencing with the Air Quality Improvement Program funding plan for the 2016–17 fiscal year, a funding plan that includes the immediate fiscal year and a forecast of estimated funding needs for the subsequent two fiscal years commensurate with meeting the goals of this chapter. Funding needs may be described as a range that identifies the projected high and low funding levels needed for the two-year forecast period to contribute to technology advancement, market readiness, and consumer acceptance of zero- and near-zero-emission vehicle technologies. The funding plan shall include a market and technology assessment for each funded zero- and near-zero-emission vehicle technology to inform the appropriate funding level, incentive type, and incentive amount. The forecast shall include an assessment of when a self-sustaining market is expected and how existing incentives may be modified to recognize expected changes in future market conditions.

(B) Projects included in the forecast may include, but are not limited to, any of the following:

(i) The Clean Vehicle Rebate Project, established pursuant to Section 44274.

(ii) Light-duty zero-emission and near-zero-emission vehicle deployment projects eligible under the Alternative and Renewable Fuel and Vehicle Technology Program, established pursuant to Article 2 (commencing with Section 44272) of Chapter 8.9.

(iii) Programs adopted pursuant to paragraph (4).

(2) Update the plan required pursuant to paragraph (1) at least every three years through January 1, 2023.

(3) No later than June 30, 2015, adopt revisions to the criteria and other requirements for the Clean Vehicle Rebate Project, established pursuant to Section 44274, to ensure the following:

(A) Rebate levels can be phased down in increments based on cumulative sales levels as determined by the state board.

(B) Eligibility is limited based on income.

(C) Consideration of the conversion to prequalification and point-of-sale rebates or other methods to increase participation rates.

(4) (A) Establish programs that further increase access to and direct benefits for disadvantaged, low-income, and moderate-income communities and consumers from electric transportation, including, but not limited to, any of the following:

(i) Financing mechanisms, including, but not limited to, a loan or loan-loss reserve credit enhancement program to increase consumer access to zero-emission and near-zero-emission vehicle financing and leasing options that can help lower expenditures on transportation and prequalification or point-of-sale rebates or other methods to increase participation rates among low- and moderate-income consumers.

(ii) Car sharing programs that serve disadvantaged communities and utilize zero-emission and near-zero-emission vehicles.

(iii) Deployment of charging infrastructure in multiunit dwellings in disadvantaged communities to remove barriers to zero-emission and near-zero-emission vehicle adoption by those who do not live in detached homes. This clause does not preclude the Public Utilities Commission from acting within the scope of its jurisdiction.

(iv) Additional incentives for zero-emission, near-zero-emission, or high-efficiency replacement vehicles or a mobility option available to participants in the enhanced fleet modernization program, established pursuant to Article 11 (commencing with Section 44125) of Chapter 5.

(B) Programs implemented pursuant to this paragraph shall provide adequate outreach to disadvantaged, low-income, and moderate-income communities and consumers, including partnering with community-based organizations.

(Added by Stats. 2014, Ch. 530, Sec. 3. Effective January 1, 2015)

44258.5. (a) For the purposes of this section, the following terms mean the following:

(1) "Local publicly owned electric utility" has the same meaning as defined in Section 224.3 of the Public Utilities Code.

(2) "Retail seller" has the same meaning as set forth in Section 399.12 of the Public Utilities Code.

(3) "Transportation electrification" has the same meaning as set forth in Section 237.5 of the Public Utilities Code.

(b) The state board shall identify and adopt appropriate policies, rules, or regulations to remove regulatory disincentives preventing retail sellers and local publicly owned electric utilities from facilitating the achievement of greenhouse gas emission reductions in other sectors through increased investments in transportation electrification. Policies to be considered shall include, but are not limited to, an allocation of greenhouse gas emissions allowances to retail sellers and local publicly owned electric utilities, or other regulatory mechanisms, to account for increased greenhouse gas emissions in the electric sector from transportation electrification.

(Added by Stats. 2015, Ch. 547, Sec. 3. Effective January 1, 2016.)