



45W TAX CREDIT IMPLEMENTATION

GUIDE FOR ADVOCATES

Congress has drastically accelerated the expiration of the 45W tax credit for Qualified Clean Commercial Vehicles. Instead of expiring in 2032, **eligible entities now have until September 30, 2025 to acquire (purchase) their vehicles** to be able to claim the tax credit.

This is an all-hands-on-deck moment to get the word out about this tax credit and help school districts claim up to \$40,000 for having invested in an electric school bus.

WHAT YOU CAN DO

1. **Educate school districts** on the tax credit and the upcoming deadline.
2. **Encourage school districts** with eligible projects to file for elective payment to claim the tax credit. Direct them to technical assistance providers who can help them complete the process.
3. **Urge state agencies** or other local stakeholders to support school districts with filing for elective payment to claim the tax credit.
4. **Elevate** stories of other school districts who have filed for and received the tax credit.

Educate School Districts

Resources

- [One-Pager](#)
 - To customize:
 - Go to 'File,' select 'Make a Copy'
 - Add your logo
 - Feel free to switch the photo
- [Longer Fact Sheet](#)
- [Commercial Clean Vehicle Credit | Internal Revenue Service](#)
- [Elective pay and transferability | Internal Revenue Service](#)

Ideas for Education

1. Host a webinar.
2. Comment or present at school board meetings.
3. Hand out one-pager at any tabling events with school district or school board leaders.
4. Publish an op-ed or LTE in the local newspaper.
5. Take out an ad on a popular local website.

Encourage School Districts

Follow up with school districts and ask them if they're planning to claim the tax credit. Track your outreach and follow up on emails with phone calls, visits, or other tactics.

Sample Email to School Districts

Hello,

As you may be aware, the budget bill passed by Congress on July 4th drastically accelerated the expiration of certain tax credits, including for the 45W and 30C tax credits relevant to electric school buses.

The IRS has [issued new guidance](#) clarifying that **the 45W tax credit for qualified commercial vehicles now expires for vehicles acquired (purchased) by September 30, 2025**. If you enter into a written purchase agreement for a new electric school bus and make a nominal payment or vehicle exchange by September 30, you qualify for the tax credit.

Attached you can find additional information, with links to the [IRS webpages on the tax credit](#) and [elective payment](#) -- which allows tax-exempt entities like school districts to receive the credit amount as a cash reimbursement via check. You can complete the pre-filing registration process as soon as the vehicle is in your possession, even if the vehicle is delivered after September 30.

Important to note that the IRS has announced the Energy Tax Credits online portal will close on September 30, 2025 for new registrants, so please ensure you register for the online account before then, if you have not already done so.

The 45W tax credit provides up to \$40,000 per electric school bus. We know this can make a difference in the total cost of ownership of the bus and we want to help you maximize the cost savings.

If you have questions or need additional support to complete your pre-filing registration, please don't hesitate to reach out and we will be happy to help you or point you in the right direction.

Thank you,

[SIGNER]

P.S. You have until June 20, 2026 to install charging stations to be able to claim the 30C Alternative Fuel Refueling Property Tax Credit. We'll send additional information on that soon.

Resources to Share

If a school district responds and requests help, direct them to any of these resources.

- [IRS 45W Commercial Clean Vehicle Credit Information](#)
- **NEW!** [IRS FAQs for modification of sections 45W, AND 179D under One, Big, Beautiful Bill Act](#)
- [IRS Qualified Manufacturers for Clean Vehicle Credits](#)
- [IRS 30C Alternative Fuel Vehicle Refueling Property Credit Information](#)
- [30C Refueling Infrastructure Tax Credit Eligible Census Tracts and Mapping Tool](#)
- [IRS Elective Pay and Transferability Information](#)

- [IRS Elective Pay FAQs](#)
- [IRS Pre-Filing Registration Tool](#)
- [IRS Pre-Filing Registration Tool User Guide and Instructions](#)
- [Lawyers for Good Government Annotated Tax Forms](#)
- [Lawyers for Good Government Updates to Certain Elective Pay Eligible Credits Under H.R. 1](#)

Urge State Agencies

State agencies can play an important role in supporting school districts or other eligible entities to claim relevant tax credits via elective payment.

Here's an example from the [Michigan Executive Office of the Governor](#), who sent out an email blast offering support on elective payment filing:

Did – or will – your organization invest in clean energy or electric vehicles this year? Is your organization a:

- Local government
- Tribal Nation
- Municipal utility
- Transportation authority, water authority, housing authority, or other division of a municipality
- Public school district or public higher education institution
- Nonprofit
- House of worship
- Rural electric co-operative

Elective Pay is a way for these entities to file a federal tax return and claim clean energy tax credits, even if they don't have a federal tax liability. Unlike many other types of federal funds, eligible entities that have invested in eligible projects are actually *entitled* to the reimbursements received as a result of claiming these tax credits. The Michigan Infrastructure Office's Technical Assistance Center is here to help navigate Elective Pay. Not sure if your project or entity are eligible? Find more information on the [MIO TAC Elective Pay website](#).

NOW OPEN: Applications for free accounting support for 2025 projects!

[Apply now for free accounting services to help with your 2025 project planning and Elective Pay filing!](#)

The Technical Assistance Center (TAC) has purchased accounting services provided by The Rehmann Group to be allocated to Michigan communities to help them prepare for and file a tax return in order to claim clean energy tax credits via Elective Pay and receive their payment from the IRS. Entities can [apply now](#) for this support.

Successful applicants will receive accounting support for preregistering projects with the IRS, filing their federal tax return, and ensuring appropriate documentation. Applicants must be Elective Pay-eligible entities that have or will place eligible projects in service in their 2025 tax year. Funding is provided by the [Michigan Infrastructure Council](#). Applications will be reviewed on a first-come, first-serve rolling basis.

MN Dept of Commerce has engaged Deloitte to help those wanting to apply for tax credits

Here's an example of how [Minnesota](#) is bringing on a contractor to support school districts in filing for the tax credits:

As a tax-exempt organization, 30-70% of the clean energy project costs that are not already covered by your grant funding could be eligible for reimbursement when you file for Direct Pay Tax Credits with the IRS - without your organization paying taxes!

To assist tax-exempt orgs like yours with navigating this new process, the Minnesota State Government has contracted with Deloitte to provide 1-on-1 technical assistance for MN-based entities that are filing for Direct Pay tax credits for **projects that were completed in FY 2024** (some projects completed in July-Dec 2023 might be eligible) or are **planned for completion in 2025**. This assistance is provided at **no cost** to Direct Pay eligible organizations based in Minnesota.

If you are interested in speaking with a Deloitte representative to consult on the filing process for Direct Pay, please email them directly at StateofMNIRATaxComplianceSupport@deloitte.com. We also request that you complete this survey from Deloitte to provide information on your project ahead of your meeting:

<https://deloittesurvey.deloitte.com/Community/se/3FC11B267B1A593E01>

Elevate Success Stories

If you identify a school district that has already *filed* for the tax credit, ask them if they're willing to mentor other school districts through the process.

If you identify a school district that has already *received* their tax credit, ask them if they're willing to do any of the following:

1. Take a photo receiving a big (large-sized) check so that we can amplify it on social media.

- a. Generation180 can provide guidance on how to do this.
2. Help us publish a blog or case study about how they accomplished this.
3. Allow us to tell their story to the media or decision makers about their story.