
ACT School Bus Advisory Services Program

WEBINAR

MARCH 27, 2024



Why are we here?

➤ Electrification is...

- The future: the industry is going electric
- Savings: electric buses can dramatically reduce operating expenses
- Enjoyable: students and staff like riding and driving electric buses
- Greener: electric buses reduce pollution

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Agenda

- Program Update
- Electrification Approach
- Clean Truck Rule
- Incentives
- Tax Credits
- Wrap up and next steps



Program Update

Spaces Enrolled

13



Buses Enrolled

1000+



Spaces Remaining

12



Electrification Approach

➤ **Plan before seeking funding**

- Engage with stakeholders: fleet management, utility, and school board
- School Bus Advisory Services Program
- Local and regional goals

➤ **What costs will you need to consider for your project?**

- Bus and charging equipment (EVSE) procurement
- Installation of charging equipment and possible utility upgrades
- Consulting or project management

➤ **How to approach funding**

- Vehicle, equipment, and installation cost
- Multiple funding sources
 - Combine funding: local, state, and federal
- Remember operational savings over time

Advanced Clean Trucks (ACT) Rule

Advanced Clean Truck (ACT) Rule Overview

In March 2022, MassDEP finalized regulations, which **adopted California's Advanced Clean Trucks regulation for medium- and heavy-duty (MHD) vehicles.**

Source: <https://www.mass.gov/doc/310-cmr-740-background-document/download>

HOW'S IT WORK

- Beginning in 2025, applies to manufacturers which sell class 2b through 8 vehicles in Massachusetts.
- Credits earned for each zero-emission vehicle (ZEV) sold.
- For each non-ZEV sold, a deficit is incurred.
- Plug-in hybrids can earn partial credits to offset deficits.
- Manufacturers can earn credits beginning with model year 2021.

Advanced Clean Truck (ACT) Rule Targets

MY	Class 2b-3	Class 4-8	Class 7-8 Tractors
2025	7%	11%	7%
2026	10%	13%	10%
2027	15%	20%	15%
2028	20%	30%	20%
2029	25%	40%	25%
2030	30%	50%	30%
2031	35%	55%	35%
2032	40%	60%	40%
2033	45%	65%	40%
2034	50%	70%	40%
2035+	55%	75%	40%

Source: <https://www.mass.gov/doc/310-cmr-740-background-document/download>

Funding

Federal funding

Program	What's covered?	How much?	Can it be combined?	Timing?
Federal Diesel Emissions Reduction Act (DERA)	Vehicle costs	Up to 35% of cost	State, tribal and local funds can be used as a cost share. Other federal funds, including VW funds, generally cannot	FY 2022-2023 funding closed. Sign up for updates.
EPA Clean School Bus Rebate Program	Vehicle, charger and behind the meter infrastructure costs	Up to \$345,000 for vehicle and charging infrastructure for zero-emission Class 7+ buses (\$265,000 for Class 3-6) which meet one or more prioritization criteria – up to 25 buses	Yes, with EV Tax Credits. Not with other federal funding	2023 funding is closed.
Commercial Clean Vehicle Tax Credit	Vehicle costs	Up to \$40,000 per vehicle (or 30% of incremental costs compared to gasoline or diesel, whichever is lower) for vehicles with a gross vehicle weight rating (GVWR) above 14,000 pounds	Yes	For purchases prior to Dec 31, 2032
Alternative Fuel Infrastructure Tax Credit	Charger costs	30% of eligible project costs, up to \$100,000, for installations located in qualified areas	Yes	For purchases prior to Dec 31, 2032

Massachusetts funding

Program	What's covered?	How much?	Can it be combined?	Timing?
MOR-EV Trucks	Vehicle costs	Up to \$90,000, per vehicle	Yes, with federally funded and administrated programs (not with MA funded/administered)	Open enrollment until funding exhausted
MassCEC ACTBus Deployment	Vehicles, associated infrastructure, staff time, and construction costs	\$2M	Yes, with federal and other state funding, so long as those funding sources have restrictions	Re-opening early Spring, 2024

Combining Incentives

Scenario: ABC School District purchases a zero-emission Class 7 electric school bus, and one (1) Level 2 EV charger. The District is prioritized under the EPA CSB program and located in a qualified area (per Alternative Fuel Infrastructure Tax Credit program guidance).

Source	Program	Eligible		Potential Funding
		Vehicle	Charger and/or Infrastructure	
Federal	EPA CSB Rebate	✓	✓	\$345,000
Federal	Alternative Fuel Infrastructure Tax Credit		✓	\$6,000 ¹
Federal	Clean Commercial Vehicle Tax Credit	✓		\$40,000
MA	MOR-EV Trucks	✓		\$90,000
Total Potential Funding				\$481,000

¹ – Assumes 30% of total charger and infrastructure cost of \$20,000

Tax Credits



Inflation Reduction Act:

The Commercial Clean Vehicle Credit and Elective Pay

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Credit For Commercial Clean Vehicles

- The credit is available for businesses and certain tax-exempt entities; **tax-exempt entities can receive the credit as an elective payment.**
- The maximum credit amount is **\$7,500** per vehicle with a gross weight rating of less than 14,000 pounds or **\$40,000** for all other vehicles.
- [Commercial Clean Vehicle Credit | Internal Revenue Service \(irs.gov\)](#) provides information about eligibility requirements for the credit.



What is Elective Pay?

Elective pay allows applicable entities, including tax-exempt and governmental entities that would otherwise be unable to claim certain credits because they do not owe federal income tax, to benefit from some clean energy tax credits. By choosing this election, the amount of the credit is treated as a payment of tax and any overpayment will result in a refund.

See [Publication 5817-G](#) for a list of credits that are eligible for elective pay



Making the Elective Payment Election

- 1) Identify and pursue the qualifying project or activity
- 2) Determine your tax year, if not already known
- 3) **Place in service:** The applicable credit property must be placed in service before a registration number will be issued
- 4) Complete pre-filing registration with the IRS
- 5) Satisfy all eligibility requirements for the tax credit
- 6) File Form 990-T by the due date (or extended due date) and make a valid elective payment election

See [State and Local Government, Publication 5817-E](#) for details



Office Hours for Elective Pay of Clean Energy Credits

Date	Time	Registration Link
February 28, 2024	1-2:30 PM EST	Register Here
March 6, 2024	1-2:30 PM EST	Register Here
March 13, 2024	1-2:30 PM EDT	Register Here
March 20, 2024	1-2:30 PM EDT	Register Here
March 27, 2024	1-2:30 PM EDT	Register Here
April 3, 2024	1-2:30 PM EDT	Register Here
April 10, 2024	1-2:30 PM EDT	Register Here
April 17, 2024	1-2:30 PM EDT	Register Here
April 24, 2024	1-2:30 PM EDT	Register Here



Additional Commercial Clean Vehicle Credit and Elective Pay Resources

- [Publication 5724-B Credit for Commercial Clean Vehicles](#)
- [Topic G — Frequently asked questions about Qualified Commercial Clean Vehicle Credit | Internal Revenue Service \(irs.gov\)](#)
- [Register for elective payment or transfer of credits | Internal Revenue Service \(irs.gov\)](#)
- [Elective pay and transferability frequently asked questions | Internal Revenue Service \(irs.gov\)](#)
- [Inflation Reduction Act \(IRA\) and CHIPS Act of 2022 \(CHIPS\) Pre-Filing Registration Tool -- User Guide and Instructions, Publication 5884](#)
- Sign up for IRS Federal, State & Local Government (FSLG) e-News Subscriptions at: [e-News subscriptions | Internal Revenue Service \(irs.gov\)](#)

Open Q&A

Wrap Up and Next Steps

- Questions? Raise your hand to be unmuted or type them in the chat / Q&A!
- Interested in applying?
 - Email MassBusAdvisory@veic.org
 - Visit our program [website](#) to learn more

THANK YOU FOR ATTENDING!