FACT SHEET: *September 2024*
Alternative Fuel Refueling Infrastructure Tax Credit, IRC 30C

Federal Incentive for Alternative Fuel Refueling Infrastructure, IRC § 30C

Summary: The Energy Policy Act (EPAct) of 2005 (PL 109–58, § 1342, 26 USC 30C) created an income tax credit equal to 30 percent of the cost of installing alternative fuel refueling equipment including equipment used to dispense natural gas and hydrogen. To qualify for the credit, the fueling equipment also must be used to refuel motor vehicles, which are defined as vehicles that have been manufactured primarily for "use on public streets, roads, and highways." Over the years various improvements have been enacted by Congress.

Most recently, the Inflation Reduction Act (IRA) of 2022 (PL 117–169, § 13404) amended section 30C, increasing the economic incentive for fueling infrastructure investments, and putting in place various new requirements. The credit previously was worth 30% up to a maximum of $30,000 in the case of business property and $1,000 for home refueling. The tax credit also previously was limited to one credit per location per year (i.e. a fueling station was limited to one tax credit of $30,000 per year regardless of the number of fuel dispensers or cost). As of January 1, 2023, the credit now has a maximum value of $100,000 for business property and applies to each single item of qualifying property installed at a location. The other major change is that now qualifying refueling property must be placed in service within a low-income community or within a non-urban census tract.

Qualified alternative refueling property includes components and parts that are deemed necessary to refueling alternative motor fueled vehicles. The cost of buildings and their structural components generally is not allowed. To qualify for the incentive, fueling equipment generally must be new, and the original use of the equipment must begin with the person claiming the credit.

FACT SHEET: *September 2024*
Alternative Fuel Refueling Infrastructure Tax Credit, IRC 30C

This fact sheet includes updated information addressing the IRA 2022 changes and rule changes proposed by the Internal Revenue Service on Sept. 18, 2024. It is intended as a guide to highlight some of the main issues with respect to this tax credit, but it is not a comprehensive review of requirements, nor should it be considered tax advice.

IRS Regulations, Guidance, and Forms

The IRS' initial guidance implementing section 30C was issued in Notice 2007–43, "Credit for Alternative Fuel Vehicle Refueling Property." On September 18, 2024, the IRS proposed new regulations that incorporate portions of Notice 2007-43 as well as addressing changes related to IRA 2022. The September 2024 notice and proposed regulations if finalized will supersede Notice 2007-43. This document therefore is intended to address guidance that is likely to remain in place as well as the proposed guidance implementing the changes in IRA 2022. If the IRS finalizes regulations different from proposed, this document will be updated to reflect any changes.

Tax Credit Value for Business and Residential Refueling Property

For depreciable property (i.e., business property) the tax credit value after the IRA 2022 change is now 30 percent or $100,000 (whichever is less) per single item of qualifying alternative refueling property including functionally interdependent components of refueling property and equipment that is integral to refueling. To qualify for the maximum credit value of 30 percent or $100,000 per single item, a claimant installing fueling infrastructure that is business property must satisfy new prevailing wage and apprenticeship (PWA) requirements. Business property that fails to satisfy the PWA requirements is limited to a smaller 6% tax credit.

For fueling equipment that is not subject to depreciation (i.e., non-business property) and that is installed at a claimant's primary residence the tax credit value is $1,000 or 30 percent of the cost (whichever is less). The PWA requirements do not apply to qualified residential fueling. However, to qualify for the residential tax credit the fueling infrastructure must be installed at the taxpayer's primary residence.

Single Item of Qualifying Refueling Equipment

IRA 2022 "modified the limitation on the section 30C credit so that it now applies with respect to any single item of qualified alternative fuel vehicle refueling property instead of with respect to all qualified alternative fuel vehicle refueling property at a location." Under the proposed regulations issued by the IRS, each fueling dispenser (actually, each fueling connector), and each storage system, and interdependent or integral equipment associated with the dispenser or storage system, qualifies as a single item of qualifying property. The IRS's proposed regulations provide that "a storage system comprised of multiple storage tanks, such as a cascade system, is treated as a single storage property."

This new treatment means the $100,000 cap or 30% cap applies to each single refueling connection point and each single storage system. For example, a new fuel dispenser with one hose and accompany compressor equipment, meter, etc. costing $300,000 would qualify for a tax credit worth up to $100,000, and a storage system costing $300,000 would separately qualify for a tax credit of up to $100,000, if the requirements for claiming the maximum credit of 30% are met. If the fueling dispenser were equipped with two hoses or connectors allowing two vehicles to fuel simultaneously that dispenser could potentially qualify for a tax credit of up to $200,000 if the cost of the equipment was $600,000 or more.

The Appendix to this document includes specific examples taken from the IRS notice showing how the tax credit is claimed in certain situations.

Interdependent and Integral Components

The tax credit extends to components and parts that are interdependent[1] with or integral[2] to the dispenser, compression equipment or storage system. The IRS notice proposes that these other parts or components and their cost should be allocated to the cost of the dispenser or storage system to claim the tax credit. The example highlighted in the notice states that, "the gas line, dryer, filter, gas compressor, and temperature compensation unit are functionally interdependent with the dispensers." Thus, the IRS guidance treats each dispenser or fuel connection point and storage system as a single item of qualifying property and does not treat compressors as separate items of qualifying property. The cost of compressor is used in calculating the tax credit, but it is allocated to other equipment. The IRS example would appear to require allocation to the dispenser(s) but there may be situations where a portion of the compressor cost should be allocated to the storage system (e.g., an onsite compressor is used only to fill storage tanks and does not provide gas directly to the disperser). Further IRS guidance is necessary on this point.

Per Location Limitation No Longer Applies

The incentive for alternative refueling equipment previously included a lifetime per location limitation of $100,000 when it was a tax deduction under section 179A. This limitation meant that the maximum amount of credit that could be taken at a single location was $100,000 regardless of the number of

[1] Proposed 26 IRC § 1.30C – 1 (b)(14): *Functionally interdependent. Components are functionally interdependent if the placing in service of each component is dependent upon the placing in service of each of the other components in order to refuel or recharge a motor vehicle.*

[2] Proposed 26 IRC § 1.30C – 1 (b)(15): *Integral part. Property is an integral part of a refueling or recharging property if it is used directly in the intended function of the refueling property or recharging property and is essential to the completeness of the intended function, meets all of the requirements for 30C property described in paragraph (b)(1)(iii) of this section, is owned by the taxpayer that owns the refueling property or recharging property, and is specifically designed to be integrated with the refueling property or recharging property with which it is associated.*

dispensers installed or the year in which they were put in place. In 2007, Congress passed the Tax Technical Corrections Act (HR 4839, PL 110–172) modifying the fueling infrastructure credit language making it clear that a taxpayer may only claim one credit in a given year for any one location but allowing additional claims when fueling equipment is installed at different locations, and also allowing additional claims at a location in future years if new qualifying equipment is installed. These features were retained in IRA 2022. Therefore, taxpayers for example can claim additional tax credits for upgrades or expansion such as increasing the number of dispensers, or possibly adding additional storage to a location that previously benefited from the tax credit.

Dual Use Property

Prior IRS guidance clarified how to treat so-called dual-use property. The September 2024 notice and regulations propose incorporating this guidance into the regulation. This issue arises, for example, with respect to natural gas in the context of LNG tanker facilities. The IRS has clarified that storage facility equipment generally does not qualify for the tax credit if the equipment is located away from where fuel is dispensed into motor vehicles. If the facility serves as a tanker facility and a retail fueling site, the additional cost of any equipment associated with the dispensing fuel into motor vehicles (not tankers) may be claimed as part of the tax credit. This guidance would appear to extend to situations in which fueling equipment is used to refuel on-road motor vehicles and non-road vehicles such as forklifts, meaning that only the cost associated with storing and dispensing fuel for the on-road motor vehicles could be claimed as a credit.

The Sept. 2024 notice provides the following guidance with respect to the treatment of tanker trucks used to store and transport fuel: "[I]f a taxpayer owns a fuel tank that is used to store fuel that is used to refuel motor vehicles at the point where the motor vehicles are refueled, but is also used to store fuel that the taxpayer transports to other locations, then the cost of the fuel tank is taken into account only to the extent the cost exceeds the cost of a tank used only to store fuel transported to other locations."

Dual Use Property also includes situations in which property is used both for business and personal use. In such situations the taxpayer must allocate the appropriate portion of the tax credit to these uses. However, if the business use of the property exceeds 51% the entire credit can be claimed as a business credit.

Placed In Service

The tax credit is claimed in the tax year the property is placed in service. According to IRS' proposed regulations, this means "the taxable year in which such property is placed in a condition or state of readiness and availability for a specifically assigned function, whether in a trade or business or in the production of income." For non-depreciable property this is "when [the property] is installed at the principal residence of the taxpayer and is operational".

Prevailing Wage & Apprenticeship Requirements

IRA 2022 includes requirements that must be satisfied before business taxpayers can claim the maximum tax credit percentage of 30%. Business taxpayers that fail to satisfy these new requirements are limited to a tax credit worth 6% of investment. The first requirement is "that any laborers and mechanics employed by the taxpayer or any contractor or subcontractor in the construction of any qualified alternative fuel vehicle refueling property that is part of a qualified alternative fuel vehicle refueling project are paid wages at rates not less than prevailing rates." There also are certain requirements related to apprenticeships. The IRS has issued separate guidance[3] regarding these requirements.

The prevailing wage and apprenticeship (PWA) provisions appear to apply to the construction of the station and not to the manufacture of equipment installed at the station. As previously noted, the PWA provisions also do not apply to non-business property installed at a taxpayer's primary residence.

[3] https://www.irs.gov/credits-deductions/prevailing-wage-and-apprenticeship-requirements

Another exception to the PWA requirement is that the provisions initially were not applicable for construction that began before Jan. 29, 2023.

Eligible Census Tract

To qualify for the tax credit, section 30C property must be placed in service in an eligible census tract. Eligible census tracts include any population census tract that qualifies as a low-income community census tract or that is a non-urban census tract. Argonne National Laboratory provides additional resources and information relating to eligible census tracts.[4] The U.S. Department of Energy also has published maps identifying eligible census tracts.[5]

Qualified Alternative Fuel Definition

The definition of qualifying fuels continues to extend to the following fuels: certain ethanol mixtures, certain biodiesel mixtures, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, or hydrogen. However, IRC 2022 expands the previous list of qualifying fuels to include fuels that meet the performance requirements set out in IRC § 45Z (Production Tax Credit).

Motor Vehicle Definition

To qualify for the tax credit, the fueling infrastructure must be used to fuel or charge a motor vehicle, which the IRS defines as "any vehicle that has at least 4 wheels and is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails)." The tax code also includes certain other vehicles (i.e. 2 or 3 wheeled vehicles) as satisfying the requirement for electric charging infrastructure.

[4] See https://www.anl.gov/esia/refueling-infrastructure-tax-credit

[5] U.S. Department of Energy Mapping Tool for Qualifying Areas: https://experience.arcgis.com/experience/3f67d5e82dc64d1589714d5499196d4f/page/Page/

Leased Equipment

If the fueling equipment is leased, the lessor (i.e., leasing company), and not the lessee, receives the incentive. This is not explicitly stated in the statute or in the IRS's guidance. However, the tax forms issued by the IRS indicate in the instructions that this is the case. See Form 8911, "Alternative Fuel Vehicle Refueling Property Credit."

Provisions Related to Tax Exempt Entities

If the infrastructure is acquired by a tax-exempt entity, the company that sold the fueling equipment can claim the tax credit, but only if they provide the customer with written notification of the credit value. The seller may—but is not required to—pass along any savings associated with the tax credit. This provision has been in place since section 30C was first enacted.

IRA 2022 includes a new provision that allows the tax-exempt entity to elect to claim the tax credit as a payment from the IRS. The tax-exempt must inform the seller so that seller is aware of this election and does not also claim the tax credit. The provision relating to tax-exempt entities allow them to claim the larger tax credit available for businesses (i.e., up to $100,000) even though tax exempt entities do not depreciate property that they own.

Tax exempt entities electing to receive the section 30C tax credit are still able to receive grants or other non-taxable payments to pay for fueling infrastructure. However, the IRS guidance indicates that the total of credits and payments cannot exceed cost of fueling infrastructure.[6]

[6] See https://www.irs.gov/credits-deductions/elective-pay-and-transferability-frequently-asked-questions-elective-pay

Use of Reconditioned or Rebuilt Equipment

Prior IRS guidance provided that converted or retrofitted equipment qualifies for the tax credit if it previously was not used to refuel alternative fuel motor vehicles. The September 2024 proposed regulation does not address this issue. IRS Notice 2007-43 clarified treatment of reconditioned or rebuilt equipment indicating that it does not qualify for the tax credit if the equipment was previously used to store or dispense alternative fuels. Reconditioned or rebuilt equipment that was previously used for purposes other than storing or dispensing alternative fuels would qualify for the credit.

Transferability

IRA 2022 includes provisions allowing taxable entities to transfer a portion or all of the 30C tax credit to another entity.[7] The IRS in April 2024 issued final rules outlining general requirements for transferability. The September 2024 IRS notice includes specific requirements relating to the transfer of 30C tax credits including provisions related to notice, recapture, and basis reduction.[8]

Mobile Fueling

Section 30C does not address mobile fueling. However, there does not appear to be any prohibition on extending the tax credits to mobile fueling. The IRS's September 2024 notice includes several questions related to this topic. In the notice, the IRS acknowledges that "mobile equipment may not always be used in the eligible census tract in which it was placed in service." The IRS therefore has requested "comments on how mobile equipment could satisfy the geographic requirement that 30C property must be placed in service in an eligible census tract, and request comments on any related rules that should be adopted, particularly with respect to any administrative requirements to ensure only qualifying mobile equipment is credited."

[7] https://www.irs.gov/credits-deductions/elective-pay-and-transferability.
[8] https://www.govinfo.gov/content/pkg/FR-2024-09-19/pdf/2024-20748.pdf (See 1.6418-5. Special Rules).

Other Limitations

Previously this income tax credit was subject to alternative minimum tax (AMT) provisions if claimed as a personal tax credit. Also, persons claiming the tax credit for property placed in service must reduce their basis in the cost of the equipment for purposes of depreciation. In addition, there is no carry-over credit for individuals, so that, if AMT precludes an individual from realizing the full benefit of a tax credit in a particular year, they may not carry a portion of the credit forward or backward. Businesses, however, previously were permitted to carry forward and backward the unused portion of the credit.

Effective Date: Extended through 2032

IRA 2022 extends the availability of this tax credit for qualifying equipment placed in service before December 31, 2032.

Links to IRS and Other Resources

- IRS Notice of Proposed Rue Issued Sept 19 2024
- IRS Notice 2007– 43, "Credit for Alternative Fuel Vehicle Refueling Property"
- U.S. Department of Energy Mapping Tool for Qualifying Areas: https://experience.arcgis.com/experience/3f67d5e82dc64d1589714d5499196d4f/page/Page/
- Prevailing Wage & Apprenticeship Rules: https://www.irs.gov/credits-deductions/prevailing-wage-and-apprenticeship-requirements
- Elective Pay and Transferability: https://www.irs.gov/credits-deductions/elective-pay-and-transferability
- IRS Tax Forms (scroll down to obtain the latest version of Form 8911, "Alternative Fuel Vehicle Refueling Property Credit")

Appendix

Includes example copied in their entirety from IRS Sept. 2024 Notice

(12) Example 12—(i) Facts. C owns a gasoline station. C decides to add retail hydrogen fueling capability to its existing gasoline station to facilitate the refueling of hydrogen fuel cell vehicles. C installs a bulk hydrogen storage tank ($900,000), cryogenic pumps ($5,000,000), evaporators associated with bulk storage ($700,000), cascade storage system ($1,300,000), electrical supply equipment used only for the hydrogen equipment ($150,000), a highconductivity concrete pad (necessary to prevent static discharge during fueling), firewalls, and piping (collectively, $550,000) and two hydrogen dispensers ($160,000 each) which include the dispensing control valves, connection hoses, hydrogen meters, and nozzles. All property is owned by C and is located at the point of refueling, meaning it is at the same or immediately adjacent physical address. All costs include labor costs. The property is property of a character subject to depreciation. All property is placed in service in the year it is installed, in an eligible census tract as described in paragraph (c) of this section.

(ii) Analysis—(A) 30C property. The bulk hydrogen storage tank, cryogenic pumps, evaporators, cascade storage system, electrical supply equipment, high-conductivity concrete pad, firewalls, piping, and two hydrogen dispensers are 30C property under § 1.30C–1(b)(1). The cryogenic pumps and electrical supply equipment are functionally interdependent with the cascade high-pressure storage tank under § 1.30C–1(b)(1)(i)(A) and (b)(14). The high-conductivity concrete pad, firewalls, and piping are functionally interdependent property with the dispensers, also under § 1.30C– 1(b)(1)(i)(A) and (b)(14). Collectively, this property is refueling property under § 1.30C–1(b)(1)(i)(A). The evaporators are an integral part associated with the bulk hydrogen storage tank under § 1.30C–1(b)(1)(i)(B) and (b)(15). The hydrogen storage system, cryogenic pumps, evaporators, cascade storage system, electrical supply equipment, high-conductivity concrete pad, firewalls, piping, and two hydrogen fuel dispensers meet the other requirements of § 1.30C–1(b)(1)(iii) because the properties are each subject to an allowance for depreciation, the original use of the properties begins with C, and the properties are placed in service in an eligible census tract as described in paragraph (c) of this section. (B) Calculation of the credit. (1) The bulk hydrogen storage tank system and the cascade high-pressure storage system are each qualified alternative fuel storage property and each is a single item of 30C property under § 1.30C–1(b)(1) and paragraph (b)(1) of this section. Although the cascade highpressure storage system is comprised of multiple storage tanks, the

system is treated as a single item of alternative fuel storage property. The dispensers are each single items of 30C property pursuant to § 1.30C–1(b)(1) and paragraph (b)(1) of this section.

(2) Under paragraph (b)(3) of this section, the tentative section 30C credit for the bulk hydrogen storage tank is the sum of the cost of the bulk hydrogen storage tank plus the cost of the evaporators (that is, the only associated property that is directly attributable and traceable to the bulk hydrogen storage tank), multiplied by the applicable percentage (6% or 30%, depending on whether the PWA requirements are satisfied) pursuant to section 30C(a). Therefore, the tentative section 30C credit for the bulk hydrogen storage tank is $96,000 (($900,000 + $700,000) × 6%) if the PWA requirements are not met, or $480,000 (($900,000 + $700,000) × 30%) if the PWA requirements are met. Under paragraph (b)(3) of this section, the section 30C credit for the bulk hydrogen storage tank, after applying the $100,000 limitation in paragraph (a)(4)(i)(A) of this section, is $96,000 if the PWA requirements are not met, or $100,000 if the PWA requirements are met.

(3) Under paragraph (b)(3) of this section, the costs taken into account in calculating the tentative section 30C credit for the cascade high-pressure storage system include the costs of any associated property that is directly attributable and traceable to the cascade high-pressure storage system, or a ratable share of the costs if the associated property if it is directly attributable and traceable to more than one item of property. The functionally interdependent property associated with the cascade high-pressure storage tank (that is, the cryogenic pumps and electrical supply equipment) is directly attributable and traceable to the cascade high-pressure storage system and no other item of property. Therefore, the tentative section 30C credit for the cascade high-pressure storage system is the sum of the costs of the cascade storage system and cryogenic pumps, and electrical supply equipment ($1,300,000 + $5,000,000 + $150,000), multiplied by the applicable percentage (6% or 30%, depending on whether the PWA requirements are satisfied). Therefore, the tentative section 30C credit for the cascade high-pressure storage system is $387,000 (($1,300,000 + $5,000,000 + $150,000) × 6%) if the PWA requirements are not met, or $1,935,000 (($1,300,000 + $5,000,000 + $150,000) × 30%) if the PWA requirements are met. Under paragraph (b)(3) of this section, the section 30C credit for the cascade high-pressure storage system, after applying the $100,000 limitation in paragraph (a)(4)(i)(A) of this section, is $100,000 if the PWA requirements are not met, or $100,000 if the PWA requirements are met.

(4) The high-conductivity concrete pad, firewalls, and piping are functionally interdependent with the fuel dispensers; thus, the highconductivity concrete pad, firewalls, and piping are associated property under paragraph (b)(2) of this section with respect to the dispensers. Because the high-conductivity concrete pad, firewalls, and piping are directly attributable and traceable to both fuel dispensers and no other single item of 30C property, half of the costs are allocated to each dispenser under paragraph (b)(2)(ii) of this section. Therefore, under paragraph (b)(3) of this section, the tentative section 30C credit for each fuel dispenser is the sum of the cost of each the hydrogen dispenser and half the cost of the high-conductivity concrete pad, firewalls, and piping are multiplied by the applicable percentage (6% or 30%, depending on whether the PWA requirements are satisfied). Therefore, the tentative section 30C credit for each fuel dispenser is $26,100 ($160,000 + ($550,000 ÷ 2) × 6%) if the PWA requirements are not met, or $130,500 (($160,000 + ($550,000 ÷ 2)) × 30%) if the PWA requirements are met. Under paragraph (b)(3) of this section, the final section 30C credit for each fuel dispenser, after applying the $100,000 limitation in paragraph (a)(4)(i)(A) of this section, is $26,100 if the PWA requirements are not met, or $100,000 if the PWA requirements are met. (5) If C does not meet the PWA requirements, C's total section 30C credit for the year is $96,000 for the bulk hydrogen storage tank, plus $100,000 for the cascade high-pressure storage tank, plus $26,100 for each fuel dispenser, for a total of $248,200. If C meets the PWA requirements, C's total section 30C credit for the year is $100,000 for the bulk hydrogen storage tank, plus $100,000 for the cascade high-pressure storage tank, plus $100,000 for each fuel dispenser, for a total of $400,000. The fact that this total credit exceeds the $100,000 limit is not relevant because section 30C(b)(1) and paragraph (a)(4)(i)(A) of this section provide that the $100,000 limit applies on a per-item basis and is not an aggregate limit.

(5) If C does not meet the PWA requirements, C's total section 30C credit for the year is $96,000 for the bulk hydrogen storage tank, plus $100,000 for the cascade high-pressure storage tank, plus $26,100 for each fuel dispenser, for a total of $248,200. If C meets the PWA requirements, C's total section 30C credit for the year is $100,000 for the bulk hydrogen storage tank, plus $100,000 for the cascade high-pressure storage tank, plus $100,000 for each fuel dispenser, for a total of $400,000. The fact that this total credit exceeds the $100,000 limit is not relevant because section 30C(b)(1) and paragraph (a)(4)(i)(A) of this section provide that the $100,000 limit applies on a per-item basis and is not an aggregate limit.

(13) Example 13—(i) Facts. G installs a time-fuel compressed natural gas (CG) station to refuel its fleet of heavyduty CNG trucks at a central lot near its warehouse. The station has 10 fuel dispensers. From the existing utility gas meter, G installs a gas line, dryer, filter, and gas compressor, which costs $300,000. The gas compressor flows to buffer storage, which costs $100,000. The buffer storage flows through a temperature compensation unit, which costs $50,000, before flowing through to the dispensers, which dispense the CNG. Each fuel dispenser is capable of fueling at or above the dispenser's minimum rate of fueling, and has one hose and nozzle, which costs $10,000 per fuel dispenser. All property is owned by G and is located at the point of refueling, meaning it is on the same or immediately adjacent physical address. All costs include labor costs. The address where G installs these properties is located in an eligible census tract as described in paragraph (c) of this section.

(ii) Analysis—(A) 30C property. The gas line, dryer, filter, gas compressor, buffer storage, temperature compensation unit, and fuel dispensers are 30C property pursuant to § 1.30C–1(b)(1) and paragraph (b)(1) of this section. The gas line, dryer, filter, gas compressor, and temperature compensation unit are functionally interdependent with the dispensers pursuant to § 1.30C–1(b)(14). Together, these items of property constitute refueling property under § 1.30C– 1(b)(1)(i)(A). Each fuel dispenser, the gas line, dryer, filter, gas compressor, buffer storage, and temperature compensation unit, all meet the other requirements of § 1.30C–1(b)(1)(iii) because the properties are each subject to an allowance for depreciation, the original use of the properties begins with G, and the properties are placed in service (as described in paragraph (b)(6) of this section) in an eligible census tract as described in paragraph (c) of this section.

(B) Calculation of the credit. (1) Each fuel dispenser is a single item of 30C property pursuant to paragraph (b)(1)(ii) of this section and § 1.30C–1(b)(12). The gas line, dryer, filter, gas compressor, and temperature compensation unit are each associated property pursuant to paragraph (b)(2) of this section, and their cost is allocated ratably to each dispenser (($300,000 + $50,000) ÷ 10 = $35,000). The buffer storage is a single item of 30C property pursuant to § 1.30C–1(b)(1) and paragraph (b)(1) of this section.

(2) If G does not meet the PWA requirements, under paragraph (b)(3)(i) of this section, the tentative section 30C credit for each fuel dispenser is the sum of the cost of that single item of 30C property (that is, the fuel dispenser) ($10,000) and the ratable share of the cost of other associated property ($35,000) multiplied by the applicable percentage (6%), or $2,700,

(($10,000 + $35,000) × 6% = $2,700). The tentative section 30C credit for the cost of the buffer storage is the cost of the buffer storage multiplied by the applicable percentage (6%) or $6,000 ($100,000 × 6% = $6,000). Under paragraph (b)(3) of this section, after applying the $100,000 limitation in paragraph (a)(4)(i)(A) of this section, if the PWA requirements are not met, the final section 30C credit for each fuel dispenser is $2,700 and the final section 30C credit for the buffer storage is $6,000. The total section 30C credit is $33,000 (($2,700 × 10) + $6,000)).

(3) If G meets the PWA requirements, the tentative section 30C credit under paragraph (b)(3) of this section for each dispenser is $13,500, (($10,000 + $35,000) × 30% = $13,500). The tentative section 30C credit for the buffer storage is $30,000 ($100,000 × 30% = $30,000). Under paragraph (b)(3) of this section, after applying the $100,000 limitation in paragraph (a)(4)(i)(A) of this section, if the PWA requirements are met, the final section 30C credit for each fuel dispenser is $13,500 and the final section 30C credit for the buffer storage is $30,000. The total section 30C credit is $165,000 (($13,500 × 10) + $30,000)). The fact that this total credit exceeds the $100,000 limit is not relevant because the $100,000 limit applies on a per-item basis and is not an aggregate limit.

(14) Example 14—(i) Facts. The facts are the same as paragraph (e)(13) of this section (Example 13), except that G also installs a local utility line ($400,000) and gas utility meter ($5,000) to service its CNG refueling station. The portion of cost of the local utility line on the same or immediately adjacent physical address as the CNG dispensers is $100,000. The gas utility meter is also on the same or immediately adjacent physical address as the CNG dispensers. All property is owned by G. All costs include labor costs. Each of the above properties is property of a character subject to depreciation and is placed in service at the time it is installed. The physical address where G installs a portion of the local utility line and gas utility meter is located in an eligible census tract as described in paragraph (c) of this section.

(ii) Analysis—(A) 30C property. The portion of the local utility line that is on the same or immediately adjacent physical address as the CNG dispensers and gas utility meter are 30C property pursuant to §§ 1.30C–1(b)(1) and paragraph (b)(1) of this section. The portion of the local utility line that is on the same or immediately adjacent physical address as the CNG dispensers is located at the point of refueling under § 1.30–1(b)(16). (The remaining portion is not located at the point of refueling and is therefore not 30C property.) The gas meter is also located at the point of refueling under § 1.30–1(b)(16) because it is on the same or immediately adjacent physical address as the CNG dispensers. Further, the portion of the local utility line that is on the same or immediately adjacent physical address as the CNG dispensers and the gas meter constitute integral part property with respect to the fuel dispensers under § 1.30C–1(b)(15). Together with the gas line, dryer, filter, gas compressor, and temperature compensation unit, the utility line and the gas meter are refueling property under § 1.30C–1(b)(1)(i)(A).

(B) Calculation of the credit. (1) Each fuel dispenser is a single item of 30C property pursuant to paragraph (b)(1)(ii) of this section and § 1.30C–1(b)(12). The local utility line and gas utility meter are each associated property pursuant to paragraph (b)(2) of this section. Their costs are allocated ratably to each dispenser (($100,000 + $5,000) ÷ 10 = $10,500) under paragraph (b)(2)(ii) of this section.

(2) If G does not meet the PWA requirements, under paragraph (b)(3) of this section, the tentative section 30C credit for each fuel dispenser is the sum of the dispenser, the ratable cost of the gas line, dryer, filter, the gas compressor and temperature compensation unit, and the ratable share of the local utility line and gas utility meter, multiplied by the applicable percentage (6%), or $3,330, (($10,000 + $35,000 + $10,500) × 6% = $3,330). The tentative

section 30C credit for the cost of the buffer storage is $6,000 ($100,000 × 6% = $6,000). Under paragraph (b)(3) of this section, after applying the $100,000 limitation in paragraph (a)(4)(i)(A) of this section, if the PWA requirements are not met, the final section 30C credit for each fuel dispenser is $3,330 and the final section 30C credit for the buffer storage is $6,000. The total section 30C credit is $39,330 (($3,330 × 10) + $6,000)).

(3) If G meets the PWA requirements, the tentative section 30C credit for each dispenser is $16,650, (($10,000 + $35,000 + $10,500) × 30% = $16,650). The tentative section 30C credit for the cost of the buffer storage is $30,000 ($100,000 × 30% = $30,000). Under paragraph (b)(3) of this section, after applying the $100,000 limitation in paragraph (a)(4)(i)(A) of this section, if the PWA requirements are met, the final section 30C credit for each fuel dispenser is $16,650 and the final section 30C credit for the buffer storage is $30,000. The total section 30C credit is $196,500 (($16,650 × 10) + $30,000)). The fact that this total credit exceeds the $100,000 limit is not relevant because the $100,000 limit applies on a per-item basis and is not an aggregate limit. (15) Example 15—(i) Facts. W installs a refueling station that is used to refuel forklift trucks with qualified alternative fuel.