

D-08-24-02

To: All Dealers

From: Vehicle Services Division

Date: August 20, 2024

RE: Excise Tax Credit for Plug-in Electric or Fuel Cell Vehicles – No More Fiscal Year 2025 Funding

PURPOSE OF MEMORANDUM

To advise Maryland dealers that there are **no** available funds for this fiscal year's electric vehicle (EV) excise tax credit.

SUMMARY

The Motor Vehicle Administration (MVA) reports that the Fiscal Year 2025¹ funds for the EV excise tax credit will be depleted prior to completing the FY 2024 applications on file.

In response, the MVA will:

1. Continue to accept applications and place applicants on a waiting list.
2. Monitor legislative action during the 2025 Legislative Session and determine whether those applicants on the waiting list will receive the credit once additional funds become available.
3. If additional funds become available, issue bulletins with information about applicants on the waiting list.

Although the MVA will continue to accept applications for this credit, you **must** notify customers – before they buy or lease an eligible plug-in electric vehicle or fuel cell vehicle – that:

1. They may not receive the Maryland EV excise tax credit for their vehicle.
2. If additional funds become available, the vehicle owner(s) may not receive the credit until FY 2026.

If your website provides information about the Maryland MVA's tax credit, you must also include an update on FY 2025 funds with the information listed above.

SUBMITTING AN APPLICATION FOR FISCAL YEAR 2025 EV TAX CREDIT WAITING LIST

To ensure your eligible customers receive a tax credit, if funding is available, please submit the required documents for eligible individuals. These documents are:

1. Completed [VR-334](#): Excise Tax Credit Request for Plug-In Electric Vehicle
2. A copy or image of the window sticker (Monroney sticker)

¹ Fiscal Year 2025 started July 1, 2024 and ends on June 30, 2025. Fiscal year 2024 started July 1, 2023 and ended on June 30, 2024.

3. A copy of the bill of sale and
4. A copy of the Manufacturer's Certificate of Origin

The most efficient way to submit an EV credit is via the dealer portal. This will ensure customers are properly queued and processed and receive their credit in a timely manner and enable MVA to track available funding and provide feedback to dealers. Please refer to the [July 1, 2024, Bulletin](#) for portal instructions.

Customers can submit applications and the required documents to mvaelectricrefunds@mdot.maryland.gov or via USPS mail, but this may delay the receipt and processing of the customer's application. If a dealer submits an application via the portal, the customer does **not** need to submit another application.

BACKGROUND

The Clean Cars Act of 2022 (codified as §13-815 of the Transportation Article) established an electric vehicle tax credit for Fiscal Years 2024 through 2027. For each fiscal year, the Maryland Energy Administration transfers up to \$8,250,000 to the Transportation Trust Fund for this tax credit.

The MVA administers the tax credit, which provides a one-time tax credit for qualifying zero emission plug-in electric or fuel cell electric vehicles². The amount of the tax credit depends on the type of vehicle.

- \$1,000 for a 2-wheeled, zero emission plug-in electric drive or fuel cell electric motorcycle
- \$2,000 for a 3-wheeled, zero emission plug-in electric drive or fuel cell electric motorcycle
- \$3,000 for a zero-emission plug-in electric drive or fuel cell electric vehicle

The credit is limited to one vehicle per individual and 10 vehicles per business entity.

For any questions, please contact Vehicle Services: Refund Unit at 410-787-2947.

² A qualifying vehicle: (1) has not been modified from original manufacturer specifications; (2) is acquired for use or lease by the taxpayer and not for resale; (3) is purchased new and titled for the first time on or after July 1, 2023, but before July 1, 2027; (4) has a battery capacity of at least 5.0 kilowatt hours (only applies to zero emission plug-in electric drive vehicle) or if a motorcycle or auto cycle, has a battery capacity of at least 4.0 kilowatt-hours; (5) has a base price not exceeding \$50,000; and (6) has a maximum speed capacity of at least 55 miles per hour.