

TAX CREDIT FOR EV

The maximum tax break remains \$7,500.

But the factors for figuring the credit are new. To be eligible for the full \$7,500 credit,

EVs put in use after 2022 must meet a critical minerals requirement and a battery component rule. If only one factor is met, then the credit is capped at \$3,750. Under the critical mineral rule, a percentage of the battery's minerals must be extracted or processed in the U.S. or in a country with a free-trade pact with the U.S. The battery component rule requires a percentage of the battery's components to be manufactured or assembled in North America. The vehicle's battery must have a capacity of at least seven kilowatt-hours. And final assembly of the vehicle must take place in North America. This rule applies for EVs placed in service after

Aug. 16, 2022.