Questions and Answers:
2022 Clean School Bus (CSB) Rebate Program

Thursday, September 17, 2026

This is a supplement to the Questions and Answers document published by the EPA on December 30th, 2024, and contains new guidance for the benefit of **2022 Clean School Bus Rebate Program** participants. The sections listed in this document reference the sections in the Program Guide. The Program Guide and other rebate information can be found here.

Table of Contents

Please note that many questions are variations of each other so your exact question may not be listed; please look for similar questions.

1. Background

1.38: *Do Justice40 (J40) requirements apply this program?*

Answer: No, J40 requirements no longer apply to this program.

Date Posted: 5/5/2025

2. Eligible Applicants

No new questions.

3. Eligible School Buses

No new questions.

4. Funding Amounts

4.46: *Can federal tax credits (e.g., IRA 30C and 45D) be used on the replacement bus and charging infrastructure funded by 2022 Clean School Bus Rebate funds?*

Answer: Federal tax credits may be available to certain types of entities participating in an EPA incentive program, and entities should consult with a dedicated tax professional to determine whether they are eligible. ***Entities interested in determining their eligibility for relevant tax credits 30C (Alternative Fuel Vehicle Refueling Property Credit) or 45W (Qualified Commercial Clean Vehicle Credit) should take into consideration their revised termination clauses provided towards the end of this Q&A.***

In particular, certain applicable entities, including tax-exempt and government entities, that would generally otherwise be unable to claim federal tax credits because they generally do not owe federal income tax, can benefit from some clean energy tax credits, using **elective pay**, which treats the amount of the credit as a payment of tax and refunding any resulting overpayment.

The categories of applicable entities eligible for elective pay of tax credits 30C and 45W are:

Eligible for elective pay on 45W:

- tax-exempt organizations *(described in §§ 501-530, other than those described in § 523)*
- states (including DC) and political subdivisions such as local governments
- Indian tribal governments
- Agencies and instrumentalities of state, local, and tribal governments

Eligible for elective pay on 30C:

- tax-exempt organizations *(described in §§ 501-530)*
- states (including DC) and political subdivisions such as local governments
- Indian tribal governments
- Agencies and instrumentalities of state, local and tribal governments
- Alaska Native Corporations

- The Tennessee Valley Authority
- Rural electric co-operatives

Other requirements, such as ownership of the credit property (e.g., eligible vehicle or charger), is required. Special rules limit the application of investment-related tax credits (including, but not limited to, 30C and 45W) for U.S. Territories.

Please review the Internal Revenue Service's (IRS) [frequently asked questions document] on elective pay for more information. The EPA cannot provide tax advice. If needed, please contact the IRS or a dedicated tax professional to address any tax-related questions, including regarding statutory changes to clean energy tax credits.

As a result of H.R.1, the One Big Beautiful Bill Act, being signed into law on July 4, 2025, (Public Law 119-21), the termination dates of 45W and 30C have been revised to the following:

26 USC 45W(g) – Termination

No credit shall be determined under this section with respect to any vehicle acquired after September 30, 2025.

26 USC 30C(i) – Termination

This section shall not apply to any property placed in service after June 30, 2026.

For further questions on these termination dates, including how they impact an entity's eligibility to claim a tax credit, we urge you to contact a dedicated tax professional to discuss your specific situation.

Please note that this question has no bearing on whether an entity is eligible for an EPA funding program. To determine EPA program eligibility, please refer to the relevant program's eligibility requirements.

Date Updated: 8/29/2025; Originally Posted: 4/24/2023

New **4.58**: *Will the EPA fund charging infrastructure that is powered by fuel-burning non-road or stationary generator(s) under the 2022 Clean School Bus Rebate Program?*

Answer: For the 2022 CSB Rebate Program, the EPA will not fund charging infrastructure powered by fuel-burning non-road or stationary generators. Please see Section 4 of the 2022 CSB Rebate Program Guide for eligibility requirements for charging infrastructure; additional information on charging infrastructure is also included in this Q&A document (e.g., Q&A 4.3).

Date Posted: 9/17/2026

5. Application Process

No new questions.

6. Selection

No new questions.

7. Notification

No new questions.

8. Payment Request Form, Purchase Order, and Payment

No new questions.

9. Scrappage, Sale, or Donation of Old Buses

No new questions.

10. Close Out Form

10.17: *Is an AIA document with certified payment requests an accepted document to demonstrate that the charging infrastructure has been purchased, delivered and installed? We do not have a bill of lading.*

Answer: Legal documents, including American Institute of Architects (AIA) documents, that clearly demonstrate CSB-funded equipment has been received, paid for, and installed are acceptable documentation for proof of delivery.

As stated in the 2022 CSB Rebate Program Guide, EPA, or its authorized representatives, may conduct site visits to confirm documentation is on hand and that replacement buses, and related infrastructure, are still in service for the school districts listed on the application.

Date Posted: 5/5/2025

C. Terms and Conditions

C.40: *If an award recipient is eligible for elective pay, can the award recipient stack applicable tax credits on top of program funds?*

Answer: While an award recipient may stack applicable tax credits on top of program funds, the award recipient is advised to consult with a dedicated tax professional to determine how the program funds will be characterized for tax purposes, because this can affect whether the entire value of the credit can be claimed.

If the program funds that an applicable entity used to pay for the credit property (e.g. eligible vehicle or charger) are considered a “restricted tax exempt amount,” then the value of those funds plus the value of the tax credit cannot exceed the paid price of the credit property. Grant funding used to pay for a piece of equipment would generally be considered a restricted tax exempt amount if the grant was given for the specific purpose of purchasing, constructing, reconstructing, erecting, or otherwise acquiring an investment-related credit property (e.g., credit property described in 30C and 45W).

If the sum of the restricted tax exempt amount and the federal tax credit exceeds the price of the credit property, then the amount of tax credit allowed will be reduced so that the combined value of the credit and the restricted tax exempt amount does not exceed the price of the credit property. More information on the 30C and 45W tax credits as well as specific examples can be found on the IRS website. Please see Q&A 41 of the linked IRS document to see an example that illustrates this scenario. The EPA cannot provide tax advice. If needed, please contact the IRS or a dedicated tax professional to address any tax-related questions, including regarding statutory changes to the clean energy tax credits.

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Date Posted: 8/29/2025

C.41: *What are the current requirements for the 2022 CSB Rebate Program Terms and Conditions regarding EPA signage?*

Answer: The EPA is no longer reviewing compliance with the signage of Terms and Conditions.

Date Posted: 3/4/2026