



***Fleet Solutions
for Fleet Professionals***

November 4, 2022

Internal Revenue Service
CC:PA:LPD:PR (Notice 2022-50)
Room 5203
P.O. Box 7604, Ben Franklin Station
Washington, DC 20044

Re: Notice 2022-50, Request for Comments on Elective Payment of Applicable Credits and Transfer of Certain Credits

Thank you for this opportunity to comment on the elective payment provisions under § 6417 of the Internal Revenue Code (Code), as added by § 13801 of Public Law 117-169, 136 Stat. 2003 (August 16, 2022), commonly known as the Inflation Reduction Act of 2022.

NAFA Fleet Management Association represents more than 2,000 individual automotive fleet manager members. NAFA Members control more than 4.6 million vehicles and manage assets of more than \$92 billion (USD).

A substantial number of NAFA member manage fleets for state and local government, colleges and universities, and other tax-exempt entities described in § 168(h)(2)(A)(i), (ii), and (iv).

NAFA's urges that the IRS issue guidance as described below.

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“(7) Section 6417(d)(3)(A)(i)(I) provides that, in the case of any government, or political subdivision, described in § 6417(d)(1), and for which no return is required under § 6011 or 6033(a), any election made by these applicable entities under § 6417(a) must be made no later than such date as is determined appropriate by the Secretary.

What factors should the Treasury Department and the IRS consider when providing guidance on the due date of the election for these applicable entities?”

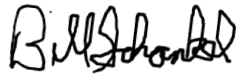
“(8) Section 6417(d)(4)(A) provides that, in the case of any government, or political subdivision described in § 6417(d)(1), and for which no return is required under § 6011 or 6033(a), the payment described in § 6417(a) is treated as made on the later of the date that a return would be due under § 6033(a) if such government or subdivision were described in § 6033 or the date on which such government or subdivision submits a claim for credit or refund at such time and in such manner as the Secretary provides. What factors should the Treasury Department and the IRS consider when providing guidance to clarify the timing and manner of a payment made by these governments or political subdivisions?”

Response: NAFA recommends that the IRS process and procedures be modeled after the current tax incentive available to tax-exempt entities such as state and local governments that dispense a qualified alternative fuel from an on-site fueling station for use in vehicles qualify for the incentive (26 U.S. Code § 6427). Tax-exempt entities registered with the IRS are eligible for a direct payment upon application to the IRS.

Because of the substantial investment required for vehicles (§ 6417(b)(6)) and alternative fuel refueling property (§ 6417(b)(1)), NAFA recommends that, for “applicable entities” that are tax exempt, IRS should consider the anticipated timing for making elections under § 6417, and ideally make a determination that results in the tax credit flowing to the applicable entity as quickly as possible, and preferably in the calendar year in which the vehicles are placed in service or the alternative fuel refueling system is energized.

Thank you for your consideration of our comments. If you should have any questions or require additional information, please contact NAFA’s Legislative Counsel at 703/351-6222 or by email at patoconnor@kentoconnor.com.

Sincerely,



Bill Schankel
Chief Executive Officer

cc:
Mr. Patrick S. Kirwan, IRS, Chief, Passthroughs & Special Industries, Branch 6
Ms. Maggie M. Stehn, IRS, Attorney, Passthroughs & Special Industries, Branch 6