

**Disclaimer: In this and any tax matter, taxpayer should consult their tax advisor to determine qualification for any tax credit and to clarify the benefit that may be available given their individual circumstances.**

**Tax Credits up to \$4,168 available for Club Car Villager 2+2 Low-Speed Vehicle (LSV).**

Assuming that the purchaser requirements summarized in this bulletin are satisfied, customers acquiring Club Car Villager LSVs in the 2009 taxable year should be eligible for a tax credit of up to \$4,168, when equipped with the standard battery pack in the vehicle. The tax credit available for 2009 is the sum of the base credit of \$2500 plus \$417 for each kilowatt hour of traction battery capacity in excess of 4 kilowatt hours.

On June 12<sup>th</sup>, 2009, the IRS issued a new notice concerning LSVs and section 30D of the Internal Revenue Code concerning “plug-in electric drive motor vehicles”. This notice interprets the Section 30D rules as enacted in the Energy Improvement and Extension Act of 2008 (EIEA) and applies to LSVs acquired in 2009 only.

The IRS notice sets forth procedures whereby manufactures of LSVs, such as Club Car, can certify to the IRS that their vehicles qualify for the Section 30D tax credit as set forth in the EIEA. Important items of note as to Section 30D are as follows:

- To obtain the Section 30D tax credit, a purchaser of our LSV must satisfy the following requirements:
  - **The vehicle is placed in service** by the taxpayer in the taxable year beginning after December 31<sup>st</sup>, 2008 **and is purchased on or before December 31<sup>st</sup>, 2009.**
  - The original use commences with the taxpayer.
  - The vehicle is acquired for use or lease by the taxpayer, and not for resale.
  - The vehicle is used predominantly in the United States.
- As to the other Section 30D requirements and pursuant to the IRS notice, Club Car is currently in the process of drafting a certification submission to the IRS that its Villager LSVs qualify for the 30D tax credit.
- We note that while certification is not required for our customers to obtain the tax credits, Club Car is undertaking this process so that our customers can rely on the certification.
- No “Double Dipping”. On Sales Bulletin 09-093 dated June 8, 2009, we informed you that under the American Recovery and Reinvestment Act of 2009 section 1142, customers acquiring our LSVs after February 17, 2009 could qualify for a 10% tax credit up to \$2500. Since we believe our LSVs qualify under Section 30D and purchaser requirements are the same in Section 30(a), the customer is allowed to take only the larger Section 30D credit in the 2009 tax year.

**Potential Tax Credit**

Application	Battery Type	Voltage (V)	#of Batteries in Pack	*20 Hr Rate AH	KWhr
Villager 2+2 LSV	US 8VGC XC	8	6	170	8.16

TAX CREDIT CALCULATIONS					
Battery Pack	kWhr	Excess of 4 kWhr (Rounded DOWN to whole kWhr)	\$417/kWhr Excess	Base Tax Credit	Total Credit
US 8VGC XC	8.16	4	\$ 1,668.00	\$ 2,500.00	\$ 4,168.00

The IRS Notice can be accessed by following the link below and viewing pages 1124-1127.  
<http://www.irs.gov/pub/irs-irbs/irb09-26.pdf>

The requirements in the Section 30D credit rules were amended by the American Recovery and Reinvestment Act of 2009 and those amendments are effective for vehicles acquired after December 31, 2009. Among other changes, the plug-in credit available for purchases after 2009 will be calculated differently.

**We note that our determination within this Bulletin is not binding with the Internal Revenue Service, which could challenge the position. Moreover, the information contained in this document should not be construed as tax, accounting, or legal advice or a promise of potential savings or reduced tax liability. IRS Circular 230 disclosure: to ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication:**

**(A) was not intended or written by the practitioner to be used, and that it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer;**

**(B) The advice was written to support the promotion or marketing of the transaction(s) or matter(s) addressed by the written advice; and**

**(C) The taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.**

## Club Car LSV Certifications and Safety

- Certified as a Low-Speed Motor Vehicle under Federal FMVSS 571.500

### Regulations

- Parts 565, 566 and 567
- EPA: CARB Executive Order Certifying Club Car LSVs as a Zero Emissions Vehicles

- Certified VIN World Manufacturer Identifier (SAE) 5J5
- Internal certifications and conformance tests
- Rigorous testing and internal design standards

- There are extremely attractive Federal tax credits that can be realized by both for profit and as a pass through for not for profit entities. The amount of the Federal tax credit on our new Passenger LSV is estimated to be \$4,168, effectively reducing the price to the customer for a base unit with standard equipment to \$4,492. The credit amount will reduce at the end of 2009 to a minimum of 10% of the MSRP.

- Some states have additional tax credits See this web site to review your State's incentives:

[http://www.afdc.energy.gov/afdc/progs/all\\_state\\_summary.php/afdc/0](http://www.afdc.energy.gov/afdc/progs/all_state_summary.php/afdc/0)

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