

**State of Vermont
Replace Your Ride Program**

PROGRAM GUIDELINES

September 9, 2024



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1 Program Overview

Fossil-fueled transportation in Vermont significantly impacts the State's economy and environment. The State of Vermont's Comprehensive Energy Plan includes several long-term goals to electrify the transportation sector to reduce emissions and costs. In addition, the Vermont Global Warming Solutions Act established actionable requirements for reducing greenhouse gas emissions in the State by specific deadlines with policies and programs for the transportation sector to be detailed in a forthcoming Climate Action Plan.

This document contains program guidelines for the implementation of the State of Vermont Replace Your Ride (RZR) Program, or "Replace Your Ride" including information on eligibility and processing options to be used by program partners, dealerships or consumers interested in additional details on how the program works.

While the use of plug-in electric vehicles (PEVs) continues to grow as more models are available at lower price points, Vermont is not currently electrifying its transportation sector on pace to meet its energy and climate requirements. The State of Vermont established a Replace your Ride incentive program to accelerate vehicle retirements and help low- to moderate-income Vermonters enjoy the benefits of cleaner transportation options. Combined with other potential federal, State and electric utility incentives, eligible consumers have an opportunity to save thousands of dollars on clean transportation alternatives.

Additional Replace Your Ride options were introduced to Vermonters in November 2022, allowing consumers to enjoy alternative transportation options that reduce or avoid vehicle miles travelled in single occupancy automobiles. This option includes incentive funding that can be used for transit options in accordance with Act 55 of Vermont Legislature.¹ Section 19 of the FY 2024 Transportation Bill (Act 62) made further adjustments to the program and codified several requirements in statute under Title 19 Vermont Statutes Annotated Chapter 29.

The Center for Sustainable Energy (CSE) will provide RZR incentives to eligible consumers to replace an eligible Internal Combustion Engine ("ICE") vehicle. The total incentive pool is equally available to all Vermont residents on a statewide, first-come, first-served basis.

The incentive amount for this program has been designated at \$5,000 for low- to moderate-income applicants, and \$2,500 for higher income applicants, for each eligible scrapped Internal Combustion Engine ("ICE") vehicle with a model year at least 10 years old from the current year, when combined with the purchase or lease of a new or used eligible PEV, or an accompanying request for a prepaid clean mobility card to be used at eligible businesses that reduce or avoid vehicle miles traveled in single occupancy automobiles. The three RZR incentive pathways are:

¹Act 55 enacted on June 3, 2021, by the Vermont Legislature was the FY2022 State Transportation Bill. <https://legislature.vermont.gov/bill/status/2022/H.433>

- New PEV - Point-of-Sale Claim Only: When scrapping and replacing with a **new** vehicle, the RYR incentive must be combined with a qualifying State of Vermont New PEV Program incentive application.
- Used PEV - Point-of-Sale Claim Only: When scrapping and replacing with a qualifying **used** vehicle. For eligible applicants, this can *also* be combined with a MileageSmart rebate. In this case, the application will only be approved if accompanied by a MileageSmart Used EV Incentive Program Commitment Letter.
- Other Clean Mobility Actions - Preapproved Consumer Claim Only: When scrapping and replacing with a prepaid clean mobility card, the RYR incentive is offered through a prepaid card to be used at eligible businesses that reduce or avoid vehicle miles traveled in single occupancy automobiles. These will be approved in accordance with Act 55 of Vermont Legislature.

2 Applicant Eligibility

The Program's eligibility requirements related to the purchaser/lessee are detailed below.

2.1 PURCHASER/LESSEE REQUIREMENTS

2.1.1 Residency

Consumers replacing their Internal Combustion Engine (ICE) vehicle must be a Vermont resident at the time of replacement. **A legible copy of a current (not expired) Vermont driver's license is required as proof of residency.** The individual applying for the incentive must be listed on both the new purchase/lease agreement (if replacing with a new/used PEV) and the old, replaced vehicle registration.

2.1.2 Adjusted Gross Income

Incentive eligibility will be limited to Vermonter's meeting the Adjusted Gross Income (AGI) requirements in Table 1 or Table 2 below.

- RYR Incentive amounts listed in Table 1 are for applicants that are:
 - purchasing or leasing a vehicle through the Vermont New PEV program, or
 - requesting a prepaid clean mobility card.

Incentive amounts are listed in Table 1 according to applicant Tax Filing Status and Adjusted Gross Income.

- RYR Incentive amounts listed in Table 2 are for applicants that are:
 - purchasing or leasing a vehicle through the Used PEV program.

Incentive amounts are listed in Table 2 according to Household Size and Adjusted Gross Income.

Table 1. RYR Incentive Amount by Tax Filing Status and Adjusted Gross Income if replacing with an eligible NEW PEV purchase, a prepaid clean mobility card, or an eligible USED PEV purchase (not purchased through MileageSmart).

Tax Filing Status	Adjusted Gross Income (AGI) Limits	RYR Incentive Amount
Individual filing as single	\$60,000 or less	\$5,000
	\$60,001 up to \$100,000	\$2,500
Individual filing as head of household	\$75,000 or less	\$5,000
	\$75,001 up to \$125,000	\$2,500
Individual filing as qualifying widower/surviving spouse	\$90,000 or less	\$5,000
	\$90,001 up to \$150,000	\$2,500
Married couple filing jointly	\$90,000 or less	\$5,000
	\$90,001 up to \$150,000	\$2,500
Married couple filing separately	\$60,000 or less	\$5,000
	\$60,001 up to \$100,000	\$2,500

*The incentive amount is issued at the Point-of-Sale by a dealership if replacing an eligible ICE vehicle with a new, eligible PEV. For clean mobility RYR incentives, the incentive amount is issued directly to consumers as a prepaid card, to be used at eligible businesses, for replacing an eligible ICE vehicle.

Table 2. RYR Incentive Amounts for Replaced Vehicle by Household Size* and Table 2. Adjusted Gross Income if replacing with an eligible USED PEV purchased through MileageSmart.

Number of Persons in Household	Annual Income Limit	Monthly Income Limit	Incentive Amount for Replace Your Ride – USED PEV**
1	\$57,300.00	\$4,775.00	\$5,000
2	\$65,500.00	\$5,458.33	\$5,000
3	\$73,700.00	\$6,141.67	\$5,000
4	\$81,850.00	\$6,820.83	\$5,000
5	\$88,400.00	\$7,366.67	\$5,000
6	\$94,950.00	\$7,912.50	\$5,000
7	\$101,500.00	\$8,458.33	\$5,000
8	\$108,050.00	\$9,004.17	\$5,000

*A household includes all family members or other unrelated persons, including the rebate applicant, who reside together and/or share common living expenses. Note: Roommates who do not have a lease separate from the applicant are considered part of the applicant's household.

**The incentive amount is issued at the Point-of-Sale by a dealership if replacing an eligible ICE vehicle with a used, eligible PEV.

AGI is determined by the applicant's **most recent** State of Vermont income tax return filed as of the date of purchase or lease. The Vermont Department of Taxes form IN-111 lists "Federal Adjusted Gross Income" on Line 1. The federal income tax IRS 1040 form also lists AGI on line 11 of the 2022 and 2023 form.

For applicants who have not filed a recent tax return, documentation may be required to calculate income if they are subject to an incentive audit. Examples of additional documentation that may be required includes W2s, bank statements, or other income verification documentation requested by the State of Vermont.

2.1.3 One Per Individual

Replace Your Ride incentives are limited to one per individual over the life of the program.

2.1.4 Vermont Registration

Purchased or Leased (new & used) Vehicles must be registered in the State of Vermont and participants must retain ownership of the vehicle for a minimum of 24 consecutive months after the vehicle purchase or lease date. Incentive recipients who do not retain the vehicle for the full 24-month ownership or lease term shall be required to notify the administrator and reimburse VTrans all or part of the original incentive amount.

2.1.5 Research Participation and Data Sharing

The State of Vermont may request participation from incentive recipients in ongoing research efforts that support the State's Comprehensive Energy Plan and Climate Action Plan requirements or continuing Program improvements. The State and/or its designee(s) may administer vehicle owner surveys to collect data and other information pertaining to their PEV purchase or lease, ICE vehicle scrappage, prepaid clean mobility card, and ownership or lessee experience.

Applicants who request a prepaid mobility card also agree to have specified information from their application form shared with our prepaid Visa card provider, Prepaid Expense Card, or "PEX". Applicants agrees to all terms and conditions surrounding the use of the Visa prepaid gift card. Additional details, including the terms and conditions, for the PEX card that will be issued to approved applicants can be found on the PEX website at: <https://www.pexcard.com/legal/services-agreement/>.

2.2 REPLACED (SCRAPPED) VEHICLE REQUIREMENTS

To be eligible for the Replace Your Ride incentive, the ICE vehicle being scrapped must meet the following requirements:

1. The internal combustion engine (ICE) vehicle being scrapped is a passenger vehicle with a gross vehicle weight of 10,000 pounds or less. ATVs, farm equipment, etc. are not eligible to be replaced through this program.
2. ICE vehicle being scrapped is at least 10 years old from current year (e.g. current year is 2024 = ICE vehicle model year is 2014 or older).
 - For Vermonters impacted by the 2024 flood events, vehicles totaled by the flooding may be scrapped, regardless of age.
3. ICE vehicle being scrapped can drive thirty (30) feet forward and in reverse under its own power without any assistance.
 - For Vermonters impacted by the 2024 flood events, this requirement is waived.
4. ICE vehicle being scrapped can start readily through ordinary means without any assistance.
 - For Vermonters impacted by the 2024 flood events, this requirement is waived.
5. ICE vehicle being scrapped is currently titled in the name of the applicant and has been for at least 12 consecutive months prior to the date of application. The name on the title must match the applicant's name. A vehicle with a lienholder listed is not eligible to be scrapped.
6. ICE vehicle being scrapped is currently registered with the state of Vermont and has been for at least the last 24 consecutive months prior to the date of application.
7. ICE vehicle being scrapped is up to date on all vehicle registration fees for the State of Vermont.
8. ICE vehicle being scrapped has passed the required annual vehicle inspection within

the last 18 months before the date of application.

9. ICE vehicle cannot be a plug-in hybrid vehicle. Only conventional, non-plug-in, hybrid vehicles are eligible for replacement.

An ICE vehicle is an automobile powered by conventional, oil-derived resources, such as gasoline or diesel fuel, including Conventional Hybrids. Only conventional, non-plug-in, hybrid vehicles are eligible for replacement. The Replaced (Scrapped) Vehicles cannot be All-Electric Vehicles (AEVs) or Plug-In Hybrid Electric Vehicles (PHEVs).

When replacing an eligible ICE vehicle for a qualifying New or Used PEV, a participating dealership will provide the incentive at the point-of-sale. Dealerships will complete an inspection of the ICE vehicle being scrapped and take possession of the vehicle.

When replacing an eligible ICE vehicle for a prepaid clean mobility card, consumers must get preapproved and agree to work with an eligible scrapping partner, prior to scrapping their vehicle.

Participating dealerships and scrapping partners are agreeing scrapped vehicles receiving RYR incentives will have their engines disabled. Therefore, the program is limited to participating dealerships and scrapping partners that agree to scrap the vehicles in accordance with legislation.

2.3 REPLACED VEHICLE OPTIONS

To be eligible for the Vermont Replace Your Ride Incentive, consumers have three options:

1. New PEV – Point-of-Sale Claim Only: When scrapping and replacing with a qualifying new vehicle, the Replace Your Ride incentive must be combined with the State of Vermont New Plug-in Elective Vehicle (PEV) Program application through the purchase/lease of an eligible new all-electric or plug-in hybrid vehicle.
2. Used PEV - Point-of-Sale Claim Only: When scrapping and replacing with a qualifying used vehicle, through the purchase/lease of an eligible used all-electric or plug-in hybrid* vehicle.
 - o * although “gas-electric hybrids” are eligible for the MileageSmart program, only plug-in hybrid electric vehicles (PEVs) are eligible for the RYR program.
3. Other Clean Mobility Actions - Preapproved Consumer Claim Only: When scrapping and replacing with a prepaid clean mobility card, the Replace Your Ride incentive is offered through a prepaid debit card to be used at eligible businesses, such as participating bike shops and car share organizations, that reduce vehicle miles traveled in single occupancy automobiles. Applicants scrap their vehicle and claim the incentive directly.

The replacement vehicle being purchased must meet the guidelines and eligibility requirements of the [State of Vermont Incentive Program for New Plug-in Electric Vehicles](#) or the [State of Vermont Incentive Replace Your Ride Program](#). Details for the New Plug-in Electric Vehicle and Replace Your Ride programs may be reviewed on their corresponding websites and/or Program Guidelines. Unless requesting a prepaid clean mobility card, the old vehicle scrapping must happen in conjunction and simultaneously with the purchase of an eligible vehicle from either program, through a participating dealer, and all necessary documentation must be uploaded when the transaction is finalized.

3 Incentive Processing

State RYR incentives will be processed by the administrator, the Center for Sustainable Energy (CSE). As described below, dealerships opting into the point-of-sale incentive program will pass through State incentives to their customers at the dealership point of sale or lease and receive reimbursement from the Administrator. Consumers will apply directly if they wish to receive the prepaid clean mobility card and must be pre-approved prior to scrapping their vehicle.

Incentive funds are reserved at the time of application submission, and incentives are provided on a first come, first served basis.

Additional details on the incentive process are included in the sections below.

3.1 PROGRAM FUNDING AND SUNSET PROCESS

Program funding relies on legislative appropriations. The Vermont Replace Your Ride website will report on the program funds when the funding pool is drawn down to \$200,000. Future Program funding beyond these funds is uncertain. The State will begin a sunset process once the funding pool is drawn down to \$200,000 to ensure Program resources are not overcommitted.

3.2 DEALER POINT-OF-SALE INCENTIVES

The Vermont Vehicle and Automotive Distributors Association (VADA) has assisted the State in outreach to dealerships to encourage their participation in the Program.

Consumers that wish to replace their ICE vehicles with a new or used PEV and receive the RYR Incentive, must do so through a participating dealership. The RYR incentives will be stacked with the New PEV or Used PEV Program incentive at the Point-of-Sale.

Participating dealerships will submit a completed application along with accompanying supporting documentation as defined below.

For a *new* replacement vehicle, applications must be submitted on the website through: <https://vermont.drive-electric.org>

For a *used* replacement vehicle, application information must be submitted via the

administrator's email address: VermontPEV@energycenter.org. See the email submission template for RYR + Used submissions in section 3.2.2 below.

Initial dealership inspection of the ICE vehicle being scrapped must take place at the time of the new/used PEV purchase. To be eligible, vehicle must meet all the vehicle requirements listed above in the "Replaced (Scrapped) Vehicle Requirements & Eligible Models" section. It is the sole responsibility of the dealer to ensure that the vehicle being scrapped is eligible before applying the incentive amount to the purchase of a new vehicle. Ineligible ICE vehicles scrapped by the dealership will not be reimbursed.

It is the responsibility of the participating dealership to attest that the scrapping of the replaced vehicle in accordance with the RYR Guidelines. Supporting documentation includes the Replaced Vehicle Attestation Form that must be completed and signed by the dealership.

3.2.1 Dealership Incentive Submission

Dealerships are responsible for ensuring that the consumer and the vehicle(s) meet eligibility requirements as outlined in the program guidelines above. Required submission documentation includes:

- **A Consumer Attestation Form** with all required information filled in and attestation boxes selected. The applicable form for New or Used Vehicles can be found on the Drive Electric Website.
 - "Dealership Point-of-Sale & Replace Your Ride Incentive" claim option must be selected
 - New Vehicle purchases must use the "[New Vehicle Consumer Attestation Form](#)"
 - Used Vehicle purchases must use the "[Used Vehicle Consumer Attestation Form](#)"
- **Replaced Vehicle Attestation Form**
 - Form must be signed by participating dealership attesting that vehicle will be scrapped according to program guidelines.
- **Proof of Vermont Residency**
 - A copy of a current (not expired) Vermont driver's license valid at the time of sale or lease is required. The name appearing on the driver's license must match the name of the Purchaser/lessor on the invoice or bill of sale.
- **Replaced (Scrapped) Vehicle registration** – A copy of the scrapped vehicle's valid registration must be included with the Program application as proof of registration and must meet these requirements:
 - The registered owner name/lessee matches the name on the State Incentive Program incentive application and on the final contract.
 - The vehicle must be currently registered in Vermont
 - Vehicle has been registered with the Vermont DMV for at least two years prior to application date

- Vehicle has been registered to the applicant for at least one year prior to date of application
- The form is complete and signed, if required.
- **Replaced (Scrapped) Vehicle Title**
 - Title must include all pages, front and back, to confirm vehicle eligibility with signatures to confirm proper transfer of ownership to the dealership.
- **Bill of Sale**
 - Bill of Sale must show proper transfer of vehicle to the dealership.
- For New vehicle sales only, also submit:
 - **Full and complete copy of the purchase or lease agreement with all pages** - The purchase or lease agreement must be signed and executed, and all accompanying documentation scans/photos should be clearly legible.
 - Leases must be for a term of 24 months or longer to be eligible for the incentive.
 - **Vehicle registration** - An application for registration of new vehicle must be included with the Program application as proof of registration and must meet these requirements:
 - The registered owner name/lessee matches the name on the State Incentive Program incentive application and on the final purchase agreement/lease.
 - The vehicle must be registered in Vermont
 - The form is complete and signed.
- For Used vehicle sales with applicants combining with MileageSmart rebate, submit:
 - **MileageSmart Used EV Incentive Program Commitment Letter/Email**
- For Used vehicle sales with applicants who are not utilizing the MileageSmart rebate, submit:
 - **All pages of the fully executed Purchase Agreement**
- For Flood-impacted replaced vehicles only, also submit:
 - **Proof the vehicle was scrapped through a Participating Scrapper** – A receipt from the participating scrapping partner will be required for all replaced vehicles impacted by the 2024 flood events.

All Replace Your Ride documentation must be submitted within 15 days of the date listed on the replacement vehicle's purchase/lease agreement.

3.2.2. Dealership Used PEV Email Submission Template

Below is an email template dealers should use when submitting incentive applications for customers taking advantage of the RYR program in conjunction with a used PEV purchase.

Email addressed to: vermontPEV@energycenter.org

Subject: RYR + Used Vehicle Incentive Submission [CUSTOMER LAST NAME]

Body:

Dealership Name:

Used Vehicle Date of Purchase:

Attachments: Attach clean, complete copies, scans, or photos of the following:

1. Consumer Attestation Form
2. Replaced Vehicle Attestation Form
3. Copy of a current (not expired) Vermont Driver's License
4. Replaced (Scrapped) Vehicle Registration
5. Replaced (Scrapped) Vehicle Title
6. Bill of Sale (showing transfer of the replaced vehicle)
7. MileageSmart Used EV Program Commitment Letter/Email (if combining with MileageSmart rebate) OR All pages of the fully executed Purchase Agreement

3.3 CONSUMER-DIRECT INCENTIVES

Consumers that wish to replace their ICE vehicles with a prepaid clean mobility card must be preapproved to ensure the scrapped vehicle meets all the vehicle requirements listed above in the "Replaced (Scrapped) Vehicle Requirements & Eligible Models" section above. Additionally, the ICE vehicle must be scrapped through a participating scrapping partner listed on the Drive Electric Vermont RYR website.

To submit for Preapproval for the prepaid clean mobility card, consumers must send the Supporting Documentation outlined below to the administrator's email address: VermontPEV@energycenter.org. The subject line of the email should note: "RYR Prepaid Mobility Incentive Submission [CONSUMER LAST NAME]." See the email submission template for RYR Prepaid Clean Mobility Card incentive submissions in section 3.3.2 below.

Upon pre-approval, applicants must submit their Bill of Sale/Receipt from the eligible scrapping partner within 30 days to avoid application cancellation.

3.3.1 Consumer Incentive Submission

To be preapproved, required submission documentation includes:

- **A Consumer Attestation Form** with all required information filled in and attestation boxes selected. The applicable form can be found on the Drive Electric Website.
 - For the Prepaid Clean Mobility Card Incentive, consumers must complete the Consumer Attestation Form for "Prepaid Card Consumer Claims"
- **Proof of Vermont Residency**
 - A copy of a current (not expired) Vermont driver's license. The name appearing on the driver's license must match the name of the registered owner of the vehicle being scrapped.

- **Replaced (Scrapped) Vehicle registration** – A copy of the scrapped vehicle’s valid registration must be included with the Program application as proof of registration and must meet these requirements:
 - The registered owner name/lessee matches the name on the State Incentive Program incentive application and on the final contract.
 - The vehicle must be currently registered in Vermont
 - Vehicle has been registered with the Vermont DMV for at least two years prior to application date
 - Vehicle has been registered to the applicant for at least one year prior to date of application
 - The form is complete and signed, if required.
- **Replaced (Scrapped) Vehicle Title**
 - Title must include all pages, front and back
- **Copy/image of the vehicle’s Inspection Sticker**
 - Inspection stickers must be approved and dated within the past 18 months.
 - For Inspection Stickers showing the VIN, this must match the VIN listed on other submitted documentation.

Once preapproved, the vehicle must be scrapped with the eligible scrapping partner listed on the Consumer Attestation Form. After the vehicle has been scrapped with the selected scrapping partner, consumers must submit the final post-sale documentation to be eligible for the prepaid clean mobility card. All remaining Replace Your Ride documentation must be submitted within 30 days of the application pre-approval date.

- **Bill of Sale/Receipt**
 - Bill of Sale or receipt must show proper transfer of vehicle to the eligible scrapping partner.
 - Scrapping partner must be listed on the receipt and must match the scrapping partner identified on the Consumer Attestation Form submitted upon preapproval.
 - Must be submitted within 30 days after pre-approval.

3.3.2 Consumer RYR Preapproval Email Submission Template

Below is an email template consumers should use when submitting incentive applications for their prepaid clean mobility card.

Email addressed to: vermontPEV@energycenter.org

Subject: RYR Prepaid Clean Mobility Card Incentive Submission [CONSUMER LAST NAME]

Body:

Consumer Name:

Selected Scrapping Partner:

Attachments: Attach clean, complete copies, scans, or photos of the following:

1. Consumer Attestation Form
2. Copy of a current (not expired) Vermont Driver's License
3. Replaced (Scrapped) Vehicle Registration
4. Replaced (Scrapped) Vehicle Title
5. Copy/image of the Vehicle's Inspection Sticker

4 Participating Scrapping Partners

The State of Vermont Replace Your Ride Program partners with participating scrappers who are required to process the ICE vehicles for scrapping. These scrapping partners agree to scrap the ICE vehicles in a manner consistent with the Terms and Conditions set forth in these Program Guidelines. This includes stipulating that the vehicle's engine will be disabled and that the scrapping will take place in compliance with the State Legislature Act 55.

As all ICE vehicles scrapped through the State of Vermont Replace Your Ride Program must be scrapped with eligible scrapping partners, all dealers and applicants are required to select one of the following participating scrapping partners:

Scrapping Partner	City	Website	Phone
Bolduc Metal Recycling	Middlesex	www.bolducmetalrecycling.com	802-223-7917
Croteau Auto Parts	Orleans		802-754-6920
Hodgdon Brothers Inc Metal Recycling	Ascutney	www.facebook.com/HodgdonMetalRecycling	802-674-6202
IAA	Colchester	www.iaai.com/locations/645	802-872-7838
New England Quality Service, Inc. <i>dba</i> Earth Waste & Metal	Castleton	earthwasteandmetal.com	802-468-2323
New England Quality Service, Inc. <i>dba</i> Earth Waste & Metal	Middlebury	arthwasteandmetal.com	802-388-9866
Wright Brothers Metal	Newport	www.facebook.com/Wright.BrothersRecycling	802-274-1317

5 PARTICIPATION INFORMATION

5.1 Dealership Opt-in

Auto dealers interested in offering point-of-sale or -lease incentives to their customers will be required to complete a Participating Dealer Agreement prior to being eligible to participate. Dealers already enrolled in the Vermont Incentive Program for New Plug-in Electric Vehicles will not need to re-enroll in the Vermont RYR program, although they may need to complete a participating dealer agreement addendum depending on the date of their sign-up. New PEV enrollment also includes RYR eligibility and enrollment.

5.2 Scrapping Partner Participation

Scrap yards or scrapping partners interesting in participating in the program will be required to complete a Participating Scrapping Partner Agreement prior to being added to the eligible scrapping partner list.

Scrapping partners must agree to disable the engine according to legislation.

5.3 Participating Businesses

The Center for Sustainable Energy (CSE) is partnering with a Visa card provider, Prepaid Expense Card, or “PEX” to issue prepaid mobility cards to approved consumers participating in Replace Your Ride.

Businesses that wish to be “whitelisted” on this card may work with CSE to submit a Business Participation Agreement and understand that elements of their agreement will be shared with PEX, including Retailer Name, Merchant ID, and Terminal ID. Businesses agree to be bound to the relevant terms and conditions set forth by PEX for the use of the Visa prepaid gift card, as provided on PEX’s website at: <https://www.pexcard.com/legal/services-agreement/>. Once approved, consumers will be able to make purchases at the retailer business using the prepaid mobility card.

5.4 State Purchase and Use Tax

Consumers purchasing or leasing an electric vehicle remain subject to the State of Vermont’s new vehicle purchase and use tax. The State incentive is applied to the down payment and so does not reduce the overall purchase price used as the basis for the purchase and use tax.

The Program does not issue 1099s for RYR incentives. It is the sole responsibility of the participating dealers and incentive recipients to seek professional advice and determine any tax consequences of participation in the Program.

5.5 Payment

To become a participating dealer, a dealership must provide Automated Clearing House (ACH) payment information to the program Administrator and agree to receive all incentive payments by ACH. If the dealership incentive claim application meets all requirements, the VTrans program administrator will pay the incentive amount to the dealership by ACH. ACH payments are initiated within 60 calendar days of claim approval and are generally received by the dealership one to three days later.

Individuals who participate with the intention of getting a prepaid clean mobility card will receive a loaded Visa PEX card that is only eligible to be used at participating clean mobility partners.

For an active list of these partners please visit the Drive Electric Vermont RYR website. If the application meets all requirements, the program administrator will authorize the distribution of the incentive amount to the applicant by a preloaded VISA card through the mail. Payments are initiated within 60 calendar days of claim approval and are generally received by the applicant within 30 calendar days.

6 Audit Process

Incentive applicants will self-verify their adjusted gross income eligibility and self-verify they have not already received an incentive under the Replace Your Ride incentive program. To prevent fraud, VTrans will audit a subset of applications for accuracy. VTrans may choose to audit suspicious applications or a random subset or both.

Applicants will be required to agree to provide their tax returns or a release to enable VTrans to obtain their tax returns and related records relevant to their income certification on the form they sign. The audit may extend to other program requirements, including that the purchase occurred prior to the expiration of any pre-approval deadline and that the applicant was a Vermont resident with a valid Vermont driver's license at the time of purchase. Failure to provide requested documents and to provide reasonable cooperation in the event of an audit will result in revocation of the incentive and an obligation to repay the State the full amount of the incentive plus interest at the statutory rate from the date the incentive was awarded.

Incentive application forms will include the following statement regarding the audit process:

The Vermont Agency of Transportation (VTrans) has the right to audit eligibility for this incentive. In the event of an audit, VTrans will require the applicant to complete a State of Vermont Tax Department form 8821-VT (Authorization to Release Tax Information). Following receipt of this form, the Tax Department will release the relevant State of Vermont income tax return (form IN-111) information to VTrans for verifying that the applicant's income met the State incentive program requirements for the incentive amount received. Failure to provide the State with a completed form 8821-VT within 21 days following a written request will cause the applicant to be deemed non-responsive and

thus ineligible for the incentive. If an applicant is deemed ineligible for the State of Vermont incentive amount claimed—either due to their nonresponse or by an audit finding—then the applicant will be obligated to promptly repay the State, the full amount of the incentive received plus interest at the statutory rate from the date the incentive was awarded.

7 Customer Support

For more information about the Replace Your Ride Program, questions about your application, or dealership inquiries related to the program please contact the Center for Sustainable Energy by calling 888-807-0446 or emailing vermontPEV@energycenter.org.

Dealerships needing additional support or are unable to provide PDF form submissions for the State incentive program should contact CSE's customer support for further assistance with incentive submittals.

8 Program Outreach & Reporting

The Drive Electric Vermont Replace Your Ride website will promote the Program, including links to CSE's application portal for the program and other relevant resources.

CSE will provide training opportunities for staff of dealerships participating in the point-of-sale incentive option. This training will offer information on all the PEV & RYR incentives currently available to Vermonters, including the federal tax credit, the State New PEV Incentive Program, and electric distribution utility incentive.
