

REVISED 6/29/09

*Tax Credits Now Available for Taxpayers Who Purchase
Qualified Plug-In Electric Vehicles*

On April 24, 2009, the IRS announced tax credits that could benefit taxpayers who purchase Columbia's Low Speed Vehicles. According to the IRS, taxpayers may qualify for one of the following credits:

The ARRA Credit. A credit equal to 10% of the cost of the vehicle, up to \$2,500 for a Low Speed Vehicle purchased after February 17, 2009 and before January 1, 2012. Or,

The EESA Credit. A credit of \$2,500 to \$7,500 for a four wheeled vehicle that draws propulsion using a rechargeable battery with at least four kilowatt hours of capacity purchased during 2009. The actual credit, within the above limitations, is determined by the capacity of the battery.

The following information may be used to understand how each of the tax credits may apply to purchases of Columbia Low Speed Vehicles:

All Low Speed Vehicle models (also referred to as NEV's or Neighborhood Electric Vehicles) manufactured and sold by Columbia meet the NHTSA requirements as defined by Title 49 CFR, Chapter V, Part 571.500, Standard No. 500; Low-speed vehicles.

The referenced NHTSA classification applies to this category of Motor Vehicles used by consumers and commerce.

All Columbia Low Speed Vehicle models (also referred to as NEV's or Neighborhood Electric Vehicles) are manufactured primarily for use on public streets, roads and highways.

The primary source of energy for all of Columbia's Low Speed Vehicles is the electric power grid. Batteries are recharged by "plugging in" to the grid. By definition, this makes each of Columbia's models a "Plug-In Electric Vehicle."

All of Columbia's Low Speed Vehicles are propelled by a rechargeable battery with a capacity of at least 4 kilowatt hours. The battery capacity for Columbia's various models is as follows:

48 volt vehicle equipped with US Battery, US2200 pack:	11.1 kWh
48 volt vehicle equipped with US Battery, US145 pack:	12.0 kWh
48 volt vehicle equipped with Discover, EVGC6A-A pack:	10.2 kWh

The above capacities are based on each battery manufacturer's published ratings.

LSV Tax Credit Information

Compare Columbia Low Speed Vehicles to IRS Announcement IR-2009-45 Requirements

IR-2009-45 Referenced Requirement	All Columbia Low Speed Vehicle Models	Meets Requirement?
ARRA Credit (American Recovery & Reinvestment Act of 2009)		
To qualify, a vehicle must be purchased after February 17, 2009 and before January 1, 2012 and a vehicle must be... “a low-speed vehicle...	All Columbia Low Speed Vehicle models are manufactured to meet the NHTSA requirements as defined by Title 49 CFR, Chapter V, Part 571.500, Standard No. 500; Low-speed vehicles.	Yes
that is propelled to a significant extent by a rechargeable battery...	All Columbia Low Speed Vehicle models are propelled by a rechargeable battery pack.	Yes
with a capacity of at least 4 kilowatt hours...”	All Columbia Low Speed Vehicles are powered by one of three battery pack choices with the noted capacities – US2200 Pack 11.1 kWh capacity US145 Pack 12.0 kWh capacity AGM Pack 10.2 kWh capacity	Yes Yes Yes
EESA Credit (Emergency Economic Stabilization Act of 2008)		
To qualify for this specific credit, for the amounts announced, a vehicle must be purchased in 2009 and a vehicle must... “have at least four wheels...	All Columbia Low Speed Vehicles have four wheels.	Yes
and draw propulsion using a rechargeable traction battery...	All Columbia Low Speed Vehicles draw propulsion using a rechargeable traction battery pack.	Yes
with at least four kilowatt hours of capacity.”	All Columbia Low Speed Vehicles are powered by one of three battery pack choices with the noted capacities – US2200 Pack 11.1 kWh capacity US145 Pack 12.0 kWh capacity AGM Pack 10.2 kWh capacity	Yes Yes Yes
Important Notes: - The capacities listed herein are derived using each battery manufacturer’s published ratings. - ARRA credit: Battery capacities must simply exceed 4 kilowatt hours. - EESA credit: The amount over the \$2500 minimum for which a purchase may qualify is determined based on the battery pack size greater than 4 kilowatts as measured in full kilowatt increments. - Consult your tax advisor to determine qualification for the listed credits.		

LSV Tax Credit Information

The IRS has indicated in the text of their release (shown below in its entirety) that they are working on guidance regarding certification procedures for both of these credits. In this and any tax matter, taxpayers 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.

The full version of the press release from the Internal Revenue Service follows:

Tax Breaks Available for Taxpayers Who Purchase Qualified Plug-In Electric Vehicles

IR-2009-45, April 24, 2009

WASHINGTON — Plug-in electric vehicles using certain types of batteries may qualify for a new tax credit if purchased this year, the Internal Revenue Service said today.

The Emergency Economic Stabilization Act of 2008 (EESA) and the American Recovery and Reinvestment Act of 2009 (ARRA) created two new tax credits for various types of electric vehicles, which may include what are commonly referred to as neighborhood electric vehicles.

ARRA creates a tax credit for low-speed or two- or three-wheel electric vehicles, such as motor scooters, purchased after Feb. 17, 2009, and before Jan. 1, 2012. The amount of the credit is 10 percent of the cost of the vehicle, up to a maximum credit of \$2,500. To qualify, a vehicle must be either a low-speed vehicle that is propelled to a significant extent by a rechargeable battery with a capacity of at least 4 kilowatt hours or be a two- or three-wheeled vehicle that is propelled to a significant extent by a rechargeable battery with a capacity of at least 2.5 kilowatt hours.

EESA created a tax credit for vehicles that have at least four wheels and draw propulsion using a rechargeable traction battery with at least four kilowatt hours of capacity. For 2009, the minimum credit is \$2,500 and the credit tops out at \$7,500 to \$15,000, depending on the weight of the vehicle and the capacity of the battery.

During 2009, low-speed, four-wheeled vehicles manufactured primarily for use on public streets, roads and highways (neighborhood electric vehicles) may qualify both for the EESA credit and, if purchased after February 17, 2009, for the ARRA credit for low-speed electric vehicles. A taxpayer may not claim both credits for the same vehicle. Vehicles manufactured primarily for off-road use, such as for use on a golf course, do not qualify for either credit.

The Internal Revenue Service is working on guidance regarding certification procedures for both of these credits.

The above release was found at: <http://www.irs.gov/newsroom/article/0,,id=207051,00.html>

The Internal Revenue Service is working on guidance regarding certification procedures for both of these credits. Consult your tax advisor for any and all tax advice before making any purchases.

LSV Tax Credit Information

The American Recovery and Reinvestment Act of 2009 Credit

If a taxpayer qualifies for the American Recovery and Reinvestment Act of 2009 tax credit, the basic amount eligible for Columbia vehicle models would be determined as follows:

A credit equal to 10% of the cost of the vehicle, up to \$2,500 for a Low Speed Vehicle purchased after February 17, 2009 and before January 1, 2012. Or,

Columbia Model	M.S.R.P. (7/1/09)	Available Credit (Purchased at MSRP)
NEV2-48A	\$ 8,899.	\$ 889.90
SM2-GN	\$ 10,299.	\$ 1,029.90
SM2-TN	\$ 10,299.	\$ 1,029.90
SM4-GN	\$ 11,599.	\$ 1,159.90
SM4-TN	\$ 11,599.	\$ 1,159.90
SUV-SN	\$ 9,789.	\$ 978.90
SUV-LN	\$ 10,189.	\$ 1,018.90
MG1-CN	\$ 17,989.	\$ 1,798.90
MG1-DN	\$ 18,989.	\$ 1,898.90
MG1-TN	\$ 21,389.	\$ 2,138.90
MG1-VN	\$ 18,989.	\$ 1,898.90
MG1-RN	\$ 26,989.	\$ 2,500.00 <i>(10% of price exceeds maximum allowable credit)</i>

The Internal Revenue Service is working on guidance regarding certification procedures for both of these credits. Consult your tax advisor for any and all tax advice before making any purchases.

LSV Tax Credit Information

The Emergency Economic Stabilization Act of 2008 Credit

If a taxpayer qualifies for the Emergency Economic Stabilization Act of 2008 tax credit, the basic amount eligible for Columbia vehicle models would be determined as follows:

A credit of \$2,500 to \$7,500 for a four wheeled vehicle that draws propulsion using a rechargeable battery with at least four kilowatt hours of capacity purchased during 2009. The actual credit, within the above limitations, is determined by the capacity of the battery.

Because all Columbia Low Speed Vehicle models are equipped with a rechargeable traction battery pack of **more than** 4kWh and are under 10,000 pounds gross vehicle weight, the base credit is \$2,500.00.

	US2200	US145	AGM
A. Battery Pack Capacity	11.1 kWh	12.0 kWh	10.2 kWh
B. Minimum Capacity Required for Credit	- <u>4.0 kWh</u>	- <u>4.0 kWh</u>	- <u>4.0 kWh</u>
C. Additional Capacity Above Minimum	7.1 kWh	8.0 kWh	6.2 kWh
D. Whole kWh (Rounded down) Used to Calculate Battery Pack Portion of Credit	7.0 kWh	8.0 kWh	6.0 kWh
E. Additional Credit Per kWh Allowed	x \$ <u>417.</u>	x \$ <u>417.</u>	x \$ <u>417.</u>
F. Total Additional Credit Allowed	\$ 2,919.	\$ 3,336.	\$ 2,502.
G. Base Credit	+ <u>\$ 2,500.</u>	+ <u>\$ 2,500.</u>	+ <u>\$ 2,500.</u>
H. Total Amount of Possible Credit	\$ 5,419.	\$ 5,836.	\$ 5,002.

The Internal Revenue Service is working on guidance regarding certification procedures for both of these credits. Consult your tax advisor for any and all tax advice before making any purchases.