

**State of Vermont (VT)
Incentive Program for Electric
Bicycles (eBikes)**

PROGRAM GUIDELINES

July 2023



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, including eBike incentives, as detailed in Strategy 2: Light Duty Electric Vehicle Purchase Incentives in the 2021 initial Climate Action Plan. Accordingly, the Vermont legislature authorized, and the Vermont Agency of Transportation (VTrans) is now offering an incentive program to consumers for the purchase of eligible electric bicycles. The Program was established by section 28 of the 2021 Transportation Bill ([Act 55](#)) with additional funding and modifications to program requirements subsequently authorized by section 28 of the 2022 Transportation Bill ([Act 184](#)).

The first iteration of the Vermont Incentive Program for eBikes was equally available to all eligible Vermont residents on a first-come, first-served basis contingent upon funding availability. Program launched on July 21, 2022, with \$92,500 in total incentive funding. This funding was fully exhausted in mid-September 2022, at which point the program stopped accepting new applications.

The second iteration of the Vermont Incentive Program for eBikes will be available to Vermont residents who have not already received an eBike incentive and meet the income requirements. The Vermont legislature has allocated \$150,000 total to this iteration of the Program [through the 2023 Budget Adjustment Act and the 2023 Transportation Bill \(H.479\)](#) repurposing funding from an existing SFY2023 Replace Your Ride appropriation.

The incentives are subject to both electric bicycle availability and available funding from VTrans. Program terms and conditions may change at any time in VTrans' sole discretion.

Vermont eBike Incentives will be processed by the administrator, the Center for Sustainable Energy (CSE). Consumers will receive a prepaid debit card in the amount of the incentive to be applied to the purchase of an eligible eBike at "whitelisted" Vermont retailers. Voucher funds are reserved at the time of application submission. CSE will ensure that no eligible

Vermont resident receives more than one incentive over the lifetime of the program using a unique identifier.

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

2 ELIGIBILITY

The Vermont eBike Incentive Program was established with state transportation funds to support the State's greenhouse gas emissions reduction goals. Program incentives are therefore limited to the purchase of electric bicycles (eBikes), electric cargo bikes (cargo eBikes), and electric adaptive bikes (adaptive eBike) which are expected to serve basic transportation needs of Vermonters and to reduce or avoid vehicle miles travelled in an automobile. Vermonters intending to purchase eBikes solely for recreation are asked not to apply. The Program's eligibility requirements related to both the purchaser and the eBike are detailed below.

2.1 PURCHASER REQUIREMENTS

2.1.1 Residency

Consumers purchasing an eBike must be a Vermont resident at the time of purchase. **A legible copy of a current (not expired) Vermont driver's license or Vermont Non-Driver ID card is required as proof of residency.** If a Vermont resident does not have a current Vermont driver's license or non-Driver ID card, a recent (within 3 months) utility bill with the consumers name and address will be required. The name on the receipt must match the name on the Consumer eBikes Attestation Form, Proof of Residency and the following application form. If the consumer's name is not listed on the Sales Receipt, other sales documentation should be provided with the application.

2.1.2 One Per Individual for adults 16 years of age or older

The Vermont eBike Incentives are available for a maximum of one (1) electric bicycle voucher per eligible Vermont resident over the lifetime of the program. Vermonters must be at least 16 years of age to be eligible for a voucher. The voucher expires 60 days from the issued date.

2.1.3 Adjusted Gross Income

Incentive eligibility will be limited to eBike purchasers meeting the Adjusted Gross Income (AGI) requirements in Table 1 below. AGI is determined by the purchaser’s most recent State of Vermont income tax filing as reported on Vermont Department of Taxes Form IN-111 on line 1 - “Federal Adjusted Gross Income.” The federal income tax IRS 1040 form also lists AGI on Line 11 of the 2020 and 2021 form.

Incentive amounts are also listed in Table 1 according to the filing status of the purchaser, Adjusted Gross Income, and eBike purchase price (not including sales tax).

Prepaid debit cards with approved incentive amount will be emailed and mailed to approved consumers which can be used at “whitelisted” Vermont businesses.

*Table 1. Incentive Amounts by Tax Filing Status, Adjusted Gross Income, and eBike Cost**

Voucher Eligibility and Incentive Amount			
Adjusted Gross Income	<i>State Incentive Amount</i>		
	New eBike with MSRP* of \$4,000 or less	New cargo eBike with MSRP* of \$5,000 or less	New adaptive eBike (no MSRP* limit)
<ul style="list-style-type: none"> • \$60,000 or less for an Individual filing as single • \$75,000 or less for an Individual filing as head of household • \$90,000 or less for a Married couple filing jointly 	\$400	\$800	\$800

*The MSRP does not include sales tax.

2.2 ELIGIBLE EBIKES

2.2.1 Types of Eligible eBikes

- Standard Electric Bicycle (eBike)
 - eBike means a bicycle equipped with fully operable pedals, a saddle or seat for the rider, and an electric motor of less than 750 watts that meets the requirements of one of the following three classes:
 - “Class 1 electric bicycle” means an electric bicycle equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour.
 - “Class 2 electric bicycle” means an electric bicycle equipped with a motor that may be used exclusively to propel the bicycle and that is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour.
 - “Class 3 electric bicycle” means an electric bicycle equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour.
- Cargo Electric Bicycle (cargo eBike)
 - cargo eBike means a motor-assisted bicycle, as defined in 23 V.S.A. § 4(45)(B)(i), with an electric motor, as defined under 23 V.S.A. § 4(45)(B)(i)(II), that is specifically designed and constructed for transporting loads, including at least one or more of the following: goods; one or more individuals in addition to the operator; or one or more animals.
- Adaptive Electric Bicycle (adaptive eBike)
 - adaptive eBike means an electric bicycle or an electric cargo bicycle that has been modified to meet the physical needs or abilities of the operator or a passenger.

2.2.2 New eBike Status

- eBikes must be sold as new.

2.2.3 MSRP Caps

- Standard eBike must have a MSRP of \$4,000 or less.
- Cargo eBike must have a MSRP of \$5,000 or less.
- Adaptive eBike does not have a MSRP requirement.

3 INCENTIVE PROCESSING

3.1 Application Process

All consumers must apply for a prepaid debit card voucher through the online [Vermont eBike Incentive Program Application](#) prior to purchasing an Eligible eBike.

- Voucher consumers must provide their legal First and Last Name, contact information (email and phone), home address and valid Driver's License or Non-Driver's Identification Card number.
- All consumers must acknowledge that they accept the Program Terms and Conditions and have reviewed the Program Guidelines.
- All consumers must upload the Consumer Attestation Form.
- Consumers MAY NOT apply for a prepaid debit card voucher directly at the point-of-sale or at a Participating Retailer.
- All prepaid debit card vouchers must be redeemed at the point-of-sale at a Participating Retailer and must be applied towards the purchase of an Eligible eBike.
 - Consumers, or their legally authorized representative, must sign and date a statement acknowledging receipt of these Program Terms and Conditions.
 - Authorized representatives will be required to supply documentation to demonstrate their authority to sign on a consumer's behalf. Consumers who submit an application with an incorrect name will need to reapply.
- Upon prepaid debit card voucher redemption by a consumer at a Participating Retailer, the Participating Retailer must complete an online Dealer Voucher Redemption Form with all supporting documents within thirty (30) calendar days of the date of sale of the Eligible eBike. For security purposes, supporting documents that are sent on removable media (flash drives, CD's DVD's etc.) will not be accepted. If the supporting documents are not submitted within the timeframes allowed, the Program Administrator will cancel the application and release the reserved voucher funds back to the Program.

Consumers must respond to program communications and provide additional information requested by the Program Administrator. Program communications will be sent via email from VTebikes@energycenter.org. It is the responsibility of a consumer to submit a correct email address in the application and ensure the email address allows emails from VTebikes@energycenter.org.

Program communications may include requests for additional documents or information.

Failure to respond to these requests or failure to submit required documents within the allotted time frame will lead to the cancelation and the return of funds reserved to the program. If eligible, a consumer is responsible for submitting a new application. If the new application falls outside of a consumer's eligibility window, the application will be ineligible. Extensions will not be granted. Consumer will receive an email from the Program Administrator upon voucher approval that will have details regarding participating eBike retailers and eBike eligibility requirements and voucher expiration dates.

3.2 Supporting Documents

Supporting documents are required. Additional documents may be requested by the Program Administrator and are required.

- Consumers must acknowledge the Terms and Conditions via a check mark on the application.
- Consumers must upload a copy of the Consumer Attestation Form.
- For proof of Vermont residency, consumers must provide a copy of their valid Vermont driver license or Non-Driver's Identification card.
- Vermont residents who do not have a valid Vermont driver's license or a Non-Driver Identification Card will be required to provide an out-of-state driver license and an alternate form of proof of residency, such as:
 - A utility or cable bill from the last three (3) months.
- Retailers must submit a copy of the sales receipt with an itemization of credits, discounts and incentives received, if applicable. Both the name of the consumer and retailer must be listed on the document within 30 days after prepaid debit card is applied to purchase of eligible eBike.

3.3 INCENTIVE CLAIMS

The consumer will receive a voucher amount in a prepaid debit card. The prepaid debit card will be emailed within one week after approval and mailed within three weeks after approval. Consumers will be able to use the prepaid debit card toward the purchase of an eligible standard eBike, cargo eBike, or adaptive eBike depending on application type.

Retailers will submit a Dealer Voucher Submission Form online within 30 days of a prepaid debit card being applied to eligible eBike purchase, along with accompanying supporting documentation as defined above. More information can be found on the Drive Electric

Vermont website.

3.4 Retailer Participation Opt-In

Retailers interested in participating in the VT eBike Incentive Program will be required to complete a Participating Retailer Agreement prior to being eligible to participate. The Program does not issue a 1099 for your voucher. It is the sole responsibility of the Participating Retailers and eBike incentive recipients to seek professional advice and determine any tax consequences of participation in the Program.

3.5 Consumer and Retailer Payment

Once an application has been submitted, the Center for Sustainable Energy will process the Vermont eBike Incentive Program Application. CSE will process applications within 7-10 days and confirm consumer eligibility. Additional time may be required in situations where additional follow-up is needed.

If the application meets all requirements, CSE will send an email explaining the prepaid debit cards, participating retailers, and eBike eligibility. The prepaid debit card will be emailed within one (1) week and via mail within fifteen (15) days of application approval.

It is the responsibility of the retailer to restrict application of payment via the prepaid debit card to the purchase of an eligible e-bike and specific type of eBike (adaptive, cargo, or single) for which a prepaid debit card voucher has been issued. Failure to do so may result in the recapture of voucher funds and suspension of said retailer from participation in the VT eBike Incentive Program.

4 AUDIT PROCESS

Incentive consumers will self-certify their adjusted gross income eligibility and that they have not already received an incentive under the statewide incentive program within the lifetime of the Vermont eBike 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.

Consumers 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 incentive application form they sign. The audit may extend to other program

requirements, including confirmation that the consumer 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 consumer 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 consumer'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 consumer to be deemed non-responsive and thus ineligible for the incentive. If a consumer is deemed ineligible for the State of Vermont incentive amount claimed—either due to their nonresponse or by an audit finding—then the consumer 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.”

5 CUSTOMER SUPPORT

If you have questions about Program Terms and Conditions, contact the Center for Sustainable Energy by phone at (888)-807-0446 or by email at VTebikes@energycenter.org. Customers needing additional support with the application process or are having difficulty providing supporting documentation for the State incentive program should contact CSE's customer support for further assistance with incentive submittals.