# FEDERAL ASSISTANCE GUIDE

A Guide for Accessing Federal Programs to Advance the Travel Industry

### **Foreword**

As the travel industry looks ahead to the coming years, we must continue to build upon our previous decades of progress and growth. The pandemic was a setback, but it also presented an opportunity to reimagine our industry to be stronger than ever before. Travel can and should be a thriving source of commerce that elevates small businesses, sparks innovation and fosters a strong sense of community. The federal government can play a vital role in helping the industry live up to its potential—creating a more modern, accessible and sustainable travel experience in the process.

We encourage U.S. Travel members to use this guide to learn about the variety of federal programs available to support the needs and interests of your business, organization or local community. **NOTE: Click on the title of each program for a detailed description of the program.** 

# TABLE OF CONTENTS

<u>Electric Vehicle (EV) Purchases</u>	2
EV Charging Infrastructure	2
Workforce	3
Energy Efficient Buildings	4
Airport Infrastructure and Sustainable Aviation Fuel (SAF)	5
Passenger Rail and Road Infrastructure	6
Electricity Infrastructure	8
Preservation and Restoration	Q

### **Electric Vehicle (EV) Purchases**

With consumers becoming increasingly carbon-conscious, electric vehicles (EVs) provide an opportunity for travel businesses and related entities to reduce their carbon footprint without reducing their overall mobility or service quality. The following programs provide subsidies to help reduce the cost of buying EVs.

#### IRS SECTION 45W COMMERCIAL CLEAN VEHICLE TAX CREDIT

Under the Inflation Reduction Act, businesses can claim a general business tax credit, beginning in 2023, for the purchase of commercial clean vehicles, worth the lesser of (1) 30% of the cost of EVs (15% in the case of hybrids and other types of clean vehicles) or (2) the price difference between the clean vehicle and a comparable fossil fuel vehicle, up to a max of \$7,500 for light vehicles and \$40,000 for heavy-duty vehicles. The 45W credit expires after December 31, 2032. **Note:** More information can be found here.



Eligible Recipients: Businesses

#### IRS SECTION 30D ELECTRIC VEHICLE TAX CREDIT

Taxpayers can claim a tax credit for the purchase of a plug-in EV. Under the Inflation Reduction Act, the credit is now worth between \$3,750 and \$7,500 per EV (based on the composition and production location of the EV's battery). However, eligible EVs purchased after August 16, 2022 must be assembled in North America and be made with battery components sourced from the U.S. or a U.S. free trade partner. The tax credit expires after December 31, 2032. **Note:** See <a href="here">here</a> for further IRS guidance. Specific guidance on vehicles acquired before 2023 can be found here.



**Eligible Recipients:** Taxpayers (individuals and pass-through businesses) making under \$150,000 annually (\$300,000 in the case of married couples)

### **EV Charging Infrastructure**

In the early part of the 20th century, auto trail maps were designed to chart gas stations across the country, influencing the routes and destinations of early drivers. As EVs become more ubiquitous over time, EV charging stations will be needed along popular travel corridors and at travel businesses to reduce range anxiety and ensure continued access to travel destinations. The following programs are designed to increase the availability of EV charging stations.

#### DOT CHARGING AND FUELING INFRASTRUCTURE (CFI) DISCRETIONARY GRANT PROGRAM

Under the Infrastructure Investment and Jobs Act, \$2.5 billion is available in the form of competitive grants for the deployment of EV charging stations at tourism sites, private businesses, and transportation facilities. The program will split funds between Community grants (primarily for urban settings) and Corridor grants (primarily for non-urban settings, within a mile from a designated <u>Alternative Fuel Corridor</u>). For both grant types, the EV charging station must be located in a publicly-accessible location, which can include private businesses, parking garages, tourism. **Note: The application deadline for the most recent round of funding was June 13, 2023**. Up to \$700 million is available in this round of funding. More information on the program and application process can be found here.



**Eligible Recipients:** State governments, local governments, metropolitan planning organizations, special purpose districts, public authorities with a transportation function, state or local authorities that own a publicly accessible transportation facility, tribal governments and U.S. territory governments, an instrumentality of one or more of the aforementioned entities (including government-owned DMOs).

#### DOT NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE FORMULA PROGRAM

Under the Infrastructure Investment and Jobs Act, \$5 billion is available in the form of formula funding to states for the deployment of EV charging stations along designated <u>Alternative Fuel Corridors</u>. Recipients must cover at least 20% of project costs. **Note: States had to submit applications by August 1, 2022.** Every year thereafter, State DOTs are allowed to submit an updated Plan that incorporates relevant additions or modifications made since the previous year's Plan was approved. **Updated plans for fiscal year 2024 are due August 1, 2023.** To find information on your state's deployment plan, please visit the Department of Transportation's website <u>here</u>.



Eligible Recipients: State governments (including the District of Columbia and Puerto Rico)

#### IRS SECTION 30C ELECTRIC VEHICLE CHARGING INFRASTRUCTURE TAX CREDIT

Taxpayers can claim a tax credit worth 30% of the cost of EV charging stations (or 6% if the installation fails to meet new <u>prevailing wage and apprenticeship requirements</u>. Under the Inflation Reduction Act, the credit is capped at \$100,000 per charging station beginning in 2023. However, the Act also changes eligibility criteria for the 30C credit, only allowing it for property installed in <u>non-urban areas</u> or low-income areas (generally areas eligible for <u>New Market Tax Credits</u>). The credit expires after December 31, 2032. **Note:** See here for further IRS guidance.



Eligible Recipients: Taxpayers (individuals and businesses)

### **Workforce**

As workforce challenges continue to plague the industry and become a chronic problem, U.S. Travel is committed to not only improving temporary worker programs, but also identifying ways to make existing workforce development programs work better for the industry—ensuring a strong pipeline of travel workers over the long term. In the near term, U.S. Travel members are encouraged to utilize the following programs and coordinate with local academic institutions, local officials and other partners where appropriate to support local industry needs.

#### IRS WORK OPPORTUNITY TAX CREDIT (WOTC)

Businesses can claim a tax credit for hiring individuals from targeted, economically challenged groups, worth 40% of the wages paid to the targeted employees in their first year of employment. Targeted employment groups include teenagers working during the summer, individuals with disabilities, veterans, ex-felons, individuals receiving welfare (aka TANF), young adults from a low-income area, young adults receiving food stamps (aka SNAP), individuals receiving Supplemental Security Income and those who have been unemployed for 27 consecutive weeks or more. *Note: The FY21 Omnibus extended the credit through December 31, 2025. See here for further IRS guidance.* 

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#### **DOL GROWTH OPPORTUNITIES GRANT PROGRAM**

Competitive grants are available for local programs designed to help teenagers and young adults impacted by community violence gain work experience or develop strategies to prevent and avoid violence, particularly for those residing in areas of concentrated crime and poverty. **Note: The application deadline for the most recent round of funding was March 10, 2023.** More information can be found here.



Eligible Recipients: Local governments, tribal governments, 501(c)(3) nonprofits and independent school districts

#### DOL STRENGTHENING COMMUNITY COLLEGES TRAINING GRANTS

Competitive grants are available to help community colleges meet the skill development needs of employers in "in-demand industries" (undefined) for the purpose of filling union jobs that pay "family-sustaining wages" with the availability of wage progression, benefits, access to paid leave, and opportunities for career advancement through training and education. Preference will be given to applicants seeking to help historically underrepresented or marginalized groups. **Note: The application deadline for the most recent round of funding was October 21, 2022.** More information can be found here.



Eligible Recipients: Community colleges

#### DOE CAREER SKILLS TRAINING PROGRAM

Under the Infrastructure Investment and Jobs Act, \$10 million is available in the form of competitive grants for skills training programs that provide both academic classes and on-the-job training to students seeking certifications related to the installation of energy efficient building technologies. Recipients are required to cover at least 50% of project costs. *Note: The application deadline for the program is November 27, 2023. Applicants must submit a Community Benefits Plan along with their application, detailing how their proposal will support the interests of the local community and workers; advance diversity, equity, and inclusion; and aid in environmental justice initiatives.* More information can be found here.



Eligible Recipients: Nonprofits

## **Energy Efficient Buildings**

Under the following programs, hotels, convention centers, stadiums, restaurants, attractions, and other travel-dependent buildings can receive financial assistance to help cover the cost of energy efficient upgrades to the buildings. U.S. Travel members are encouraged to coordinate with state and local officials where appropriate to support local industry needs.



#### **EPA GREENHOUSE GAS REDUCTION FUND**

Under the Inflation Reduction Act, \$27 billion is available in the form of competitive grants to help states and local governments make investments in zero-emission technology and any related infrastructure that would allow low-income or disadvantaged communities to benefit from such technology. The funds will be awarded through three different competitions, titled the National Clean Investment Fund Competition (\$14B), the Clean Communities Investment Accelerator Competition (\$6B), and the Solar for All Competition (\$7B). Note: The application deadline for the National Clean Investment Competition and the Clean Communities Investment Accelerator is October 12, 2023, while the application deadline for the Solar for All Competition is September 26, 2023. More information about the competitions and application process can be found here.



**Eligible Recipients:** State governments, local governments and certain types of nonprofits (i.e. those solely set up to manage zero-emission projects)

#### IRS SECTION 179D ENERGY EFFICIENT COMMERCIAL BUILDINGS TAX DEDUCTION

Taxpayers can claim a deduction for the cost of energy efficiency upgrades to a commercial building's envelope, interior lighting systems, HVAC or hot water systems. Under the Inflation Reduction Act, projects can qualify if they reduce the building's energy use by at least 25%. The credit is capped at between \$0.50-\$1.00 per square foot, based on the reduction of energy use (or \$2.50-\$5.00 per square foot for projects that pay workers a prevailing wage and meet certain apprenticeship requirements). Tax-exempt entities (including 501(c)(6) organizations, governmental entities, and quasi-governmental entities) can give the deduction they would otherwise get as the building owner to the designer of the project (in exchange for a price reduction). **Note:** See here for further IRS guidance.



**Eligible Recipients:** Taxpayers (individuals and businesses) and tax-exempt entities that own commercial buildings

#### DOE ENERGY EFFICIENT TRANSFORMER REBATES

Under the Infrastructure Investment and Jobs Act, \$10 million is available in the form of rebates for replacing an old transformer with a qualified energy efficient transformer. **Note:** DOE has yet to issue regulations implementing the program. More information can be found here.



Eligible Recipients: Utility companies and owners of commercial buildings

#### DOE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG) PROGRAM

Under the Infrastructure Investment and Jobs Act, \$550 million is available in the form of formula grants and competitive grants for projects that reduce energy consumption, reduce fossil fuel emissions, and improve energy efficiency. **Note: Prospective applicants must fill out a pre-award information sheet by July 31, 2023. DOE will process grant applications on a rolling basis from January 18, 2023 through January 31, 2024.** More information on the program and application process can be found <a href="here">here</a>.



Eligible Recipients: State governments, local governments and tribal governments



## Airport Infrastructure and Sustainable Aviation Fuel (SAF)

The following programs provide financial support for airport infrastructure and the transition to Sustainable Aviation Fuel (SAF).

#### FAA ALTERNATIVE FUEL AND LOW-EMISSION AVIATION TECHNOLOGY PROGRAM

The Inflation Reduction Act provides \$297 million in competitive grants for projects designed to support sustainable aviation fuels and low-emission aviation technologies, in accordance with the <u>U.S. Aviation</u> <u>Climate Action Plan.</u> Recipients are required to cover at least 25% of project costs (or 10 percent in the case of small hub or non-hub airports). **Note: The application deadline for the current round of funding is November 27, 2023. More information on the program and application process can be found <u>here</u>.** 



**Eligible Recipients:** State governments, local governments, air carriers, airports, academic institutions, research institutions, certain nonprofits and businesses (those with experience in SAFs, low-emission aviation technologies, or other clean transportation research programs)

#### IRS SECTIONS 40B & 45Z SUSTAINABLE AVIATION FUEL TAX CREDITS

Under the Inflation Reduction Act, businesses can claim a general business tax credit under Section 40B of the tax code for the sale or use of blended SAF in the U.S. in 2023 and 2024. The 40B credit is worth \$1.25 to \$1.75 per gallon (based on the fuel's reduction in greenhouse gas emissions). Starting in 2025, the 40B credit is replaced with the Section 45Z Clean Fuel Production Credit, worth a flat \$1.75 per gallon for the production of SAF (or \$0.35 per gallon if the production facility does not meet prevailing wage and apprenticeship requirements). The 45Z credit expires after December 31, 2027. **Note:** Further IRS guidance can be found here.



Eligible Recipients: Businesses

### Passenger Rail and Road Infrastructure

The following programs provide support for passenger rail service and traffic management systems, which could reduce traffic congestion and increase mobility, making it easier for travelers to get to and around destinations, in harmony with local commuters. U.S. Travel members are encouraged to coordinate with state and local officials where appropriate to support local industry needs.

#### FRA FEDERAL-STATE PARTNERSHIP FOR INTERCITY PASSENGER RAIL GRANT PROGRAM

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Under the Infrastructure Investment and Jobs Act, \$36 billion is available in the form of competitive grants for intercity passenger rail projects, including for privately-operated intercity passenger rail service.

Note: The application deadline for projects NOT located in the Northeast Corridor (NEC) is April 21, 2023, while projects located in the NEC have an application deadline of March 27, 2023. Projects located on the Northeast Corridor (NEC) must be identified in the <u>NEC Project Inventory list</u>. More program details can be found here.



**Eligible Recipients:** State governments, local governments, tribal governments, publicly chartered authorities and Amtrak

#### FRA RESTORATION AND ENHANCEMENT GRANT PROGRAM

Under the Infrastructure Investment and Jobs Act, \$250 million is available in the form of competitive grants for projects designed to increase the frequency of intercity passenger rail service, establish new rail service, extend current service, restore previously operated rail service, or add new on-board services. Note: The Federal Railroad Administration has yet to issue a Notice of Funding Opportunity for the funds.



**Eligible Recipients:** State governments, local governments, Amtrak, rail carriers and publicly chartered authorities

#### DOT LOCAL AND REGIONAL PROJECT ASSISTANCE GRANTS (RAISE PROGRAM)

Under the Infrastructure Investment and Jobs Act, \$7.5 billion is available in the form of competitive grants for projects designed to modernize roads, bridges, transit, rail, ports, and intermodal transportation facilities, with special consideration for projects that improve safety, environmental sustainability, quality of life, mobility, community connectivity, and/or tourism. U.S. Travel worked to ensure the bill included language competitively favorable to tourism-related projects. *Note: The application deadline for the latest round of funding was February 28, 2023, with final selections announced June 28, 2023.* Please see here for program details and here for application instructions.



**Eligible Recipients:** State governments, local governments, tribal governments, publicly chartered authorities and special purpose districts with a transportation function

#### DOT NATIONAL INFRASTRUCTURE PROJECT ASSISTANCE (MEGA GRANT PROGRAM)

Under the Infrastructure Investment and Jobs Act, \$5 billion is available in the form of competitive grants for large, complex transportation projects that are difficult to fund by other means, including highway and bridge projects, intercity passenger rail projects, and certain transit projects. The Department of Transportation merged the Mega Grant program with other grant programs under the Multimodal Project Discretionary Grant (MPDG) program. *Note: The application deadline for the most recent round of funding is August 21, 2023.* More information on the MPDG program and the application process can be found here.



**Eligible Recipients:** State governments, local governments, tribal governments, metropolitan planning organizations, special purpose districts and publicly chartered authorities

#### DOT ADVANCED TRANSPORTATION TECHNOLOGIES & INNOVATIVE MOBILITY DEPLOYMENT

Under the <u>Infrastructure Investment</u> and Jobs Act, \$900 million is available in the form of competitive grants or contracts for the deployment, installation, or operation of advanced transportation technologies. The program was previously called the "Advanced Transportation and Congestion Management Technologies Deployment" program. *Note: DOT recently renamed the program the "Advanced Transportation Technologies and Innovation (ATTAIN) program". The application deadline for the latest round of funding was due November 18, 2022. More information can be found here.* 



Eligible Recipients: State governments, local governments, metropolitan planning organizations, transit agencies and a multijurisdictional group of research or academic institutions

#### **DOT CONGESTION RELIEF PROGRAM**

Under the Infrastructure Investment and Jobs Act, \$250 million is available in the form of competitive grants for projects or incentive programs designed to manage traffic congestion or reduce traffic during peak periods. Note: DOT has yet to issue a funding notice for the program. More information can be found here.



Eligible Recipients: State governments, local governments and metropolitan planning organizations

### **Electricity Infrastructure**

With automakers and many others in the business community planning for an all-electric future, demand for electricity is likely to rise in the coming years, putting a strain on power resources. The following programs are designed to increase the capacity, flexibility, reliability and resilience of electricity infrastructure. U.S. Travel members are encouraged to coordinate with state and local officials where appropriate to support local industry needs for electricity.

#### IRS SECTION 48 SOLAR INVESTMENT TAX CREDIT

Taxpayers can claim a general business tax credit for installing solar systems on commercial properties (including batteries and microgrid controllers). Under the Inflation Reduction Act, the credit is now worth between 26% and 30% of the cost of the systems (based on when the project commences construction and is placed in service), but decreases to 6% if the project fails to meet prevailing wage and apprenticeship requirements. Solar projects placed in service in certain economically depressed areas (including areas with high unemployment) or tribal lands are eligible for a +2% or +10% bonus (based on if the project meets prevailing wage and apprenticeship requirements). These changes to the tax credit expire at the end of 2024, after which the credit reverts to 6% for eligible projects. Note: Further IRS guidance can be found here.



Eligible Recipients: Businesses (including short-term lodging businesses)

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#### DOE ENERGY STORAGE DEMONSTRATION AND PILOT GRANT PROGRAM

Under the Infrastructure Investment and Jobs Act, \$355 million is available in the form of grants or contracts for 3 projects designed to reduce the peak loads of businesses, provide grid stability, increase the feasibility of microgrids, enable the fast charging of EVs, improve energy efficiency, or improve the reliability of transmission and distribution systems (particularly in rural areas). Note: Interested applicants must submit an initial Letter of Intent by December 22, 2022, with a final application deadline of March 3, 2023. For more information, please see here.



Eligible Recipients: State governments, local governments, tribal governments, businesses, academic institutions, community-based nonprofits, utility companies and national laboratories

#### DOE ENERGY IMPROVEMENT IN RURAL OR REMOTE AREAS

Under the Infrastructure Investment and Jobs Act, \$1 billion is available in the form of grants or contracts for projects designed to improve the resilience, safety, reliability, and availability of electricity in rural or remote areas of the United States. Note: The deadline for concept papers is April 14, 2023. Full applications are due by August 2, 2023. Only applicants who have submitted an eligible Concept Paper by the posted deadline will be eligible to submit a Full Application. For more information, please see here.



Eligible Recipients: Local governments in rural areas (or areas with 10,000 residents or less)

### **Preservation and Restoration**

The following programs provide financial support to improve the attractiveness of U.S. destinations, including efforts to beautify marine environments or improve community connectivity and walkability. U.S. Travel members are encouraged to coordinate with state and local officials and other partners where appropriate to support local industry needs.

#### DOT RECONNECTING COMMUNITIES PILOT PROGRAM

Under the Infrastructure Investment and Jobs Act, \$1 billion is available in the form of competitive grants for projects that remove, retrofit, or mitigate highways, railyards, or other transportation facilities that create barriers to community connectivity, mobility, access, or economic development. **Note:** DOT recently combined the Reconnecting Communities Pilot program with the Neighborhood Access and Equity (NAE) program. The new consolidated program is now called the Reconnecting Communities and Neighborhoods (RCN) program, with an new application deadline of September 28, 2023. More information can be found here.



Eligible Recipients: State governments, local governments, tribal governments, metropolitan planning organizations and nonprofits

