

The IRA included strong sourcing requirements for the extraction and processing of critical minerals to qualify for half of the consumer Clean Vehicle Tax Credit

	% of minerals that must be extracted or processed in the U.S. or Free Trade Agreement countries, or recycled in North America <u>according to the IRA</u>	% of minerals that must be extracted or processed in the U.S. or Free Trade Agreement countries, or recycled in North America <u>according to Treasury's proposed rules</u>
2023	40%	20%
2024	50%	25%
2025	60%*	30%*
2026	70%*	35%*
2027	80%*	40%*
2028	80%*	40%*
2029	80%*	40%*
2030	80%*	40%*
2031	80%*	40%*

These percentages have effectively been cut in half by the “50% of value-added test” included in Treasury’s proposed rules

*Minerals from Foreign Entity of Concern are not permitted