

Dec. 21, 2009

## Tax credit sends folks running for electric golf carts

By Adam Belz

The Gazette

© 2009, Gazette Communications

LISBON -- In the market for an \$8,000 golf cart? Better move fast.

Dealers across Iowa and the country can't sell luxury, road-ready golf carts fast enough thanks to a federal tax credit for electric vehicles that expires Dec. 31.

Regular golf carts don't qualify for the tax credit, but if a model has windshield wipers, taillights, headlights, blinkers and seat belts, it is considered roadworthy and can be purchased at a massive discount, courtesy of the federal government.

"You can get a lot of bells and whistles for less than what it would cost to buy a standard golf cart," said Kevin Smith, manager of Lincolnway Golf Cars in Lisbon. "I know that 12 are spoken for. ... If I had six to 10 to deliver by the end of the year, I'd get them sold."

Dan and Bev O'Connor of Mount Vernon bought an \$8,000 yellow Tomberlin golf car for about \$3,500 with the credit. It has black leather seats and woodwork on the steering wheel and dash. The couple use it for trips to the grocery store, church, the hardware store or their daughter's house across town. They chose the color yellow for safety reasons.

"This is so handy in a small town," Dan O'Connor said. "Just for running errands. It sure beats pulling out of the driveway in a car or truck. I like the quietness of it, too."

The Tomberlin Group of Augusta, Ga., started making high-end, road-ready golf carts long before the tax credit came along. Demand exploded this fall when word got out that the credit applied to the carts.

"There's no doubt that we had the right product at the right time," CEO Michael Tomberlin said.

He wouldn't say how many vehicles his company has sold, but it has not been able to keep up with demand.

Eastern Iowans are snapping up the snazzy carts at dealerships in Lisbon, Peosta, Denver and Decorah.

The tax credit for plug-in electric vehicles was established by the Energy Improvement and Extension Act of 2008. It offers a minimum \$2,500 tax credit , plus \$417 per kilowatt-hour of battery capacity, for the purchase of an electric vehicle approved by the Internal Revenue Service.

The IRS approved several Tomberlin models in August, and it's been gangbusters ever since. For buyers to qualify before year's end, they must have the title in hand.

The credit won't be as generous next year. Purchases will qualify for a 10 percent credit , with a maximum of \$2,500.

So what's usually a slow time of year has been busy for Harris Golf Cars in Peosta.

"Some people are going to use them at their lake home, at their campground. Some people will use it in golfing. Some people will use it around their farm. Some people will use it in their subdivisions," owner Scott Harris said.

He's sold about 60 golf carts in the past three months and had to start taking deposits from people to get them on a waiting list.

"This time of year, people aren't usually coming out to buy golf cars," Harris said.

The irony of it all is that Tomberlin, the man who perhaps benefits the most from the tax credit , said he is glad to see it expire. His company was doing fine before, he said, and now demand for its product is artificially inflated.

"We are not a proponent of the tax credit ," Tomberlin said. "We don't think it's a good thing for the marketplace. We're not a proponent for it continuing.

It's just an enabler."