

## Clean Vehicle Credits

### Who Qualifies

There is a \$7,500 credit for buying a new, qualified plug-in EV or fuel-cell electric vehicle. Under the Inflation Reduction Act of 2022, the rules of the credit for vehicles purchased from 2023 to 2032 changed. The credit is available to individuals and their businesses.

To qualify, an individual must:

- Buy the vehicle for their own use, not for resale
- Use the vehicle primarily in the U.S.

In addition, the modified adjusted gross income (AGI) of the taxpayer may not exceed:

- \$300,000 for married couples filing jointly
- \$225,000 for heads of households
- \$150,000 for all other filers

The taxpayer can either use their modified AGI from the year they take the delivery of the vehicle or the year before, whichever is less. The credit is non-refundable and the excess credit can not be applied to future tax years.

*To qualify, a vehicle must:*

- Have a battery capacity of at least 7 kilowatt hours
- Have a gross vehicle weight rating of less than 14,000 pounds
- Be made by a qualified manufacturer. See our index of qualified manufacturers and vehicles.
- FCVs do not need to be made by a qualified manufacturer to be eligible. See Rev. Proc. 2022-42 for more detailed guidance.
- Undergo final assembly in North America

The sale qualifies only if:

- The vehicle is bought new
- The seller reports the required information to the taxpayer at the time of sale and to the IRS
- Sellers are required to report the taxpayer's name and taxpayer identification number to the IRS for them to be eligible to claim the credit

In addition, the vehicle's manufacturer suggested retail price (MSRP) can't exceed:

- \$80,000 for vans, sport utility vehicles, and pickup trucks
- \$55,000 for other vehicles

MSRP is the retail price of the automobile suggested by the manufacturer, including options, accessories, and trim but excluding destination fees. It isn't necessarily the price paid.