

The exemption applies to sales of new, used, & leased vehicles sold on or after 08/1/ 2019.

- New vehicle transactions must not exceed \$45,000 in purchase price or lease payments
- Used vehicles transactions must not exceed \$30,000 in fair market value

Exempted amounts		
Date of purchase	New vehicles	Used vehicles
Aug. 1, 2019 – July 31, 2021	\$25,000	Total sales price or \$16,000, whichever is less.
Aug. 1, 2021 – July 31, 2023	\$20,000	
Aug. 1, 2023 – July 31, 2025	\$15,000	

Example:

If the cost of a new vehicle is \$48,000, and the value of your trade-in is worth \$6,000, you can't receive the tax exemption. Even though the trade-in brought the cost down to \$42,000, the new vehicle was still worth over the \$45,000 limit.

WA  
STATE

# EV VEHICLES

FEDERAL



Check to see if the vehicle qualifies:

Does the vehicle qualify for the Federal Credit?



Final Assembly was in North America

## What is the credit?

### NEW Cars

- Up to \$7,500
- Max Sale:
  - \$55,000 Cars/Coupe
  - \$80,000 Vans|SUV|Trucks

### USED Cars

- Up to \$4,000
  - or 30% of sales price
- Max Sale price: \$25,000
- Model year 2022 or older

# Customer Qualifications:

To qualify, for the **New Vehicle** Credit you must:

- For your own use, not for resale
- For use primarily in the U.S.

To qualify, for the **Used Vehicle** Credit you must:

- Be an individual who bought the vehicle for use and not for resale
- Not be the original owner
- Not be claimed as a dependent on another person's tax return
- Not have claimed another used clean vehicle credit in the 3 years before the purchase date

**Your modified adjusted gross income (AGI) may not exceed (New/Used):**

- \$300,000/\$150,000 for married couples filing jointly
- \$225,000/\$112,500 for heads of households
- \$150,000/\$75,000 for all other filers

You can use your modified AGI from the year you take delivery of the vehicle or the year before, whichever is less. If your modified AGI is below the threshold in 1 of the two years, you can claim the credit.

The credit is nonrefundable, so you can't get back more on the credit than you owe in taxes. You can't apply any excess credit to future tax years.

## What we need to verify:

Our Sales Managers are registered with the IRS to verify the vehicle and the customer.

To confirm the customer gets the credit we need:

- VIN
- Date of Birth
- Drivers License #
- Battery Capacity
- Full Name
- Social Security Number

If the IRS Confirms the credit, we then apply the credit to the car deal as Down Payment. We report it to the IRS and collect the money from them. The customer is responsible to report it on their own taxes and should they not qualify it will be reflected on their own tax returns. If the customer has questions about qualifications they should consult a CPA as we are not eligible to give Tax Advice.