

2024 Clean Vehicle Credits

In the business of selling cars? Looking at buying a clean vehicle? Clean Vehicle Credits can help you maximize your return at tax time.

The Inflation Reduction Act of 2022 (IRA) made several changes to the tax credit provided in Internal Revenue Code (IRC) § 30D for qualified plug-in electric drive motor vehicles, including adding fuel cell vehicles to the § 30D tax credit. The IRA also added a new credit for previously owned clean vehicles under IRC § 25E. Beginning on January 1, 2024, the credits may be applied at the point of sale for the customer to reduce the cost of the purchase by the amount of the credit. Eligible taxpayers do not need to wait until filing season!



Clean vehicle credits are nonrefundable credits meant to lower the cost of qualifying plug-in electric or other “clean” vehicles. In Tax Years 2023-2032, the credit is up to \$4,000 for previously owned clean vehicles and up to \$7,500 for new clean vehicles. There are certain requirements for qualified vehicles, including the vehicle’s weight, manufacturer, assembly location, suggested retail price, mineral and battery component requirements, etc. [See irs.gov for more information](https://irs.gov). In addition, eligible taxpayers need to meet certain ownership, use, and modified adjusted gross income (AGI) requirements. These credits are available to any vehicles acquired before December 31, 2032.

Buyers of Clean Vehicles

Who qualifies for the [new clean vehicle credit](#):

- Vehicle MUST be for own use, cannot resell.
- Primarily used in the United States.
- AGI \$300,000 or less for married filing jointly.
- AGI \$225,000 or less for head of households.
- AGI \$150,000 or less for all other filers.

Who qualifies for a [used clean vehicle credit](#):

- Vehicle MUST be for own use, cannot resell.
- NOT the original owner.
- NOT claimed as a dependent.
- Have NOT previously claimed a clean vehicle credit (within last 3 years).
- AGI \$150,000 or less for married filing jointly.
- AGI \$112,500 or less for head of household.
- AGI \$75,000 or less for all other filers.

If you meet these qualifications, are in the market, or have purchased a new or used clean vehicle it’s imperative that you verify your [New Clean Vehicle Eligibility](#) or [Used Clean Vehicle Eligibility](#).