




# Used Clean Vehicle Credit

Beginning January 1, 2023, if you buy a qualified used electric vehicle (EV) or fuel cell vehicle (FCV) from a licensed dealer for \$25,000 or less, you may be eligible for a used clean vehicle tax credit (also referred to as a previously owned clean vehicle credit). The credit equals 30% of the sale price up to a maximum credit of \$4,000.

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.

Purchases made before 2023 don't qualify.

## Who Qualifies

You may qualify for a credit for buying a previously owned, qualified plug-in electric vehicle (EV) or fuel cell vehicle (FCV), including cars and light trucks, under [Internal Revenue Code Section 25E](#) .

To qualify, 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

In addition, your modified adjusted gross income (AGI) may not exceed:

- \$150,000 for married filing jointly or a surviving spouse
- \$112,500 for heads of households
- \$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 income is below the threshold for 1 of the two years, you can claim the credit.

## Qualified Vehicles and Sales

To qualify, a vehicle must meet all of these requirements:

- Have a sale price of \$25,000 or less

- Have a model year at least 2 years earlier than the calendar year when you buy it. For example, a vehicle purchased in 2023 would need a model year of 2021 or older.
- Not have already been transferred after August 16, 2022, to a qualified buyer.
- Have a gross vehicle weight rating of less than 14,000 pounds
- Be an eligible FCV or plug-in EV with a battery capacity of at least 7 kilowatt hours
- Be for use primarily in the United States

To see if a vehicle is eligible for the used clean vehicle credit,

### **Go to [fuelconomy.gov](https://fuelconomy.gov)**

The sale qualifies only if:

- You buy the vehicle from a dealer
- For qualified used EVs, the dealer reports required information to you at the time of sale and to the IRS.

A dealer is a person licensed to sell motor vehicles in a state, the District of Columbia, the Commonwealth of Puerto Rico, any other territory or possession of the United States, an Indian tribal government, or any Alaska Native Corporation.

Required information includes:

- Dealer's name and taxpayer ID number
- Buyer's name and taxpayer ID number
- Sale date and sale price
- Maximum credit allowable under IRC 25E
- Vehicle identification number (VIN), unless the vehicle is not assigned one
- Battery capacity

## **How to Claim the Used Clean Vehicle Credit**

Complete [Form 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit \(Including Qualified Two-Wheeled Plug-in Electric Vehicles and New Clean Vehicles\)](#), and file it with your tax return for the year you took possession of the vehicle to claim the used clean vehicle credit. You will need to include the vehicle identification number (VIN) on the form.

## **Related**

- [Credits for New Electric Vehicles Purchased in 2023 or After](#)
- [Credits for New Electric Vehicles Purchased in 2022 or Before](#)
- [Commercial Clean Vehicle Credit](#)
- [Credits and Deductions Under the Inflation Reduction Act of 2022](#)

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