

SUSTAINABILITY

White House boosts Inflation Act as EV tax credit goes into effect

January 3, 2023



Starting this year, the Inflation Reduction Act will bring electric vehicles from various manufacturers to a more affordable price for American families. Image credit: Jaguar

By LUXURY DAILY NEWS SERVICE

The White House is promoting a key piece of U.S. legislation from last year, as a clause from The Inflation Reduction Act of 2022 pertaining to electric vehicles is now active.

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Effective Jan. 1., individuals that purchase a new plug-in electric vehicle (EV) or fuel cell vehicle (FCV) in 2023 are eligible for a clean vehicle tax credit of up to \$7,500 under Internal Revenue Code Section 30D. The move intends to make electric vehicles slightly more affordable and accessible.

Electric gov

Experts have expressed hope for The Inflation Reduction Act's ability to incentivize manufacturers to use electric and clean energy, while also making the technology more accessible to the average consumer.

For the first time, Americans can receive resources to help them buy electric vehicles. President Biden's Inflation Reduction Act gives a tax credit of up to \$7,500 to buy a new electric vehicle.

As it turns out, a used electric vehicle credit is also now available.

Learn more at <https://t.co/mSVvqbpXd0>.

The White House (@WhiteHouse) [January 3, 2023](#)

Also going into effect at the start of the New Year, buyers of qualified used electric vehicle (EV) or fuel cell vehicle (FCV) of \$25,000 or less may be eligible for a used clean vehicle tax credit. The credit is worth 30 percent of the vehicle's sale price, up to a maximum credit of \$4,000.

For this arm, the EV must be manufactured in North America. The resolution could further drive the domestic EV market as representatives work to combat climate change at home.

The vehicle should also have a maximum suggested price of \$80,000 if it is a pickup truck, SUV or van. If the car type varies from these categories, it should at most be worth \$55,000.

When it comes to secondhand electric cars, the tax credit will max out at \$4,000. The vehicle needs to be older than two years old, and cost the consumer \$25,000 or below.

To qualify for the credit, the car must be for one's personal use, driven mainly in the U.S. An individual's income needs must also meet a set of guidelines: joint-filing married couples cannot make more than \$300,000 heads of households cannot make more than \$225,000, and anyone else cannot make more than \$150,000 in order to qualify.

The battery capacity of the vehicle itself must be at least seven kilowatt-hours and have a weight of fewer than 14,000 pounds. While the vehicle must be driven by the filer, the credit is available to both individuals and the businesses that they run.

In order to file for the credit, filers will need to fill out the IRS' "File Form 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit" and provide the vehicle's VIN.

The government is providing a [list of manufacturers and vehicle models](#) that qualify for the benefits, abiding by the guidelines of the act. Audi, BMW, Jaguar, Mercedes-Benz, Volkswagen, Tesla and Volvo are among those included each list various electric models within the index.

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