


Treasury Releases Initial Information on Electric Vehicle Tax Credit Under Newly Enacted Inflation Reduction Act

August 16, 2022

Today's guidance marks a first step in the Biden Administration's implementation of Inflation Reduction Act tax credits to lower costs for families and make electric vehicles more affordable

WASHINGTON – Following President Biden's signing the Inflation Reduction Act into law today, the U.S. Department of the Treasury and Internal Revenue Service published initial information on changes to the tax credit for electric vehicles strengthened by the landmark legislation. The Inflation Reduction Act represents the most aggressive action addressing climate change in our nation's history and includes tax incentives designed to lower costs for working families, grow the clean energy economy, and strengthen America's supply chains. Starting tomorrow, the Inflation Reduction Act's new requirement that qualifying electric vehicles were assembled in North America goes into effect. [Treasury and the Internal Revenue Service released guidance](#) and [FAQs](#)  with information on how the North America final assembly requirement will work so consumers can determine what vehicles are eligible and claim a credit of up to \$7,500 after their purchase. Starting January 1, consumers may be eligible for a tax credit for used or previously owned cars and businesses may be eligible for a new commercial clean vehicle credit.

To assist consumers identifying eligible vehicles, the Department of Transportation and Department of Energy published new resources today to help those interested in claiming tax credits for an electric vehicle purchased after the Inflation Reduction Act's enactment on August 16, 2022. Consumers and auto dealers can enter the Vehicle Identification Number (VIN) of a specific vehicle into a [site provided by the U.S. Department of Transportation](#) to determine its eligibility. For a broader view of what vehicles may now be eligible for this credit, the Department of Energy published a [list of Model Year 2022 and early Model Year 2023 electric vehicles that likely meet the final assembly requirement](#). The eligibility for a specific vehicle should be confirmed using its VIN number.

The final assembly requirement does not apply until after the Inflation Reduction Act's enactment on August 16, 2022. Individuals who entered into a written binding contract to purchase a new qualifying electric vehicle before August 16, 2022, but do not take possession of the vehicle until on or after August 16, 2022 (for example, because the vehicle has not been delivered), can claim the EV credit based on the rules that were in effect before the Inflation Reduction Act's enactment.

Looking ahead, the Inflation Reduction Act makes several additional changes to the electric vehicle tax credit that will take effect starting in 2023. Treasury and the Internal Revenue Service will release more information about additional tax credits under the Inflation Reduction Act in the weeks and months ahead.

[Link to FAQs](#) 

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