

Federal Tax Credits for Pre-owned Plug-in Electric and Fuel Cell Vehicles

Federal Tax Credit Up To \$4,000!

Pre-owned [all-electric](#), [plug-in hybrid](#), and [fuel cell electric](#) vehicles purchased *on or after January 1, 2023*, may be eligible for a federal income tax credit. The credit equals 30% percent 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. Also, you can't apply any excess credit to future tax years.

Note: Pre-owned vehicles purchased before 2023 don't qualify for this credit. However, new vehicles may qualify for [other credits](#).

Vehicle must be purchased from a dealer, have a sale price of \$25,000 or less, and must have a model year two years prior to the current calendar year.

Who Qualifies for used vehicle credit?

You may qualify for a credit if you buy a previously owned, qualified plug-in electric vehicle (PEV)—PEVs include plug-in hybrids and all-electric vehicles—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 able to be claimed as a dependent on another person's tax return
- Not have claimed another used clean vehicle credit in the three 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 one of the two years, you can claim the credit. Your modified AGI is the amount from line 11 of your Form 1040 plus:

- Any amount on line 45 or line 50 of Form 2555, Foreign Earned Income.
- Any amount excluded from gross income because it was received from sources in Puerto Rico or American Samoa.

Qualified Vehicles and Sales

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

- It must be made by a qualified manufacturer.
Note that fuel cell vehicles do not need to be made by a qualified manufacturer to be eligible. See [Rev. Proc. 2022-42](#) for more detailed guidance.
- It must have a sale price of \$25,000 or less.
- It must have a model year at least two years earlier than the calendar year when you buy it. For example, a vehicle purchased in 2023 must be a model year of 2021 or older.
- It must not have already been transferred after August 16, 2022, to a qualified buyer.
- It must be for use primarily in the United States.
- It must have a gross vehicle weight rating of less than 14,000 pounds.
- It must be an eligible fuel cell vehicle or plug-in electric vehicle with a battery capacity of least 7 kilowatt hours.

Note that vehicles listed on this page have been certified by the manufacturer to meet the gross vehicle weight rating and battery capacity requirements above.

The sale qualifies only if:

- You buy the vehicle from a dealer. 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.
- For qualified used PEVs, the dealer reports required information to you at the time of sale and to the IRS. 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 [Internal Revenue Code Section 25E](#)
 - Vehicle identification number (VIN), unless the vehicle is not assigned one
 - Battery capacity
 - For sales after December 31, 2023, the amount of any transfer credit applied to purchase
 - A declaration under penalties of perjury from the dealer

For vehicles placed in service on or after January 1, 2024, the dealer must be registered with IRS Energy Credits Online, and the vehicle must be approved through Energy Credits Online at the time of sale.