Electric Vehicle Tax Credits

Federal Tax Credit (about that asterisk)

Currently there is a \$7,500 tax credit with the purchase of an electric Car. Most references say "up to" or have an asterisk * (the short answer is if line 16 on the standard IRS 1040 is above \$7500, you get the full tax credit) The long answer follows:

The federal incentive is usually referred to as a flat \$7,500 credit, but it's only worth \$7,500 to someone whose tax bill at the end of the year is \$7,500 or more. Let's say you buy an eligible EV and you owe \$5,000 in income tax for a particular year. That's all the tax credit will be, \$5000.

That is because this tax credit does not carry over. As an example – it your taxes for the year of purchase are \$3000, then you only get \$3000 and the remaining \$4,500 does not carry over. Or in tax terminology, it is not "refundable". If you overpay your federal tax withholding, that excess is returned to you or "refunded". The federal tax credit is applied first, and if that fulfills you tax obligation, that portion of your withholding that exceeds your tax obligation will be refunded. This is to explain making the claim for a tax credit, not all EVs are eligible

Tax credit is claimed by including IRS form 8936.

Use this form to claim the credit for certain plug-in electric vehicles.
 Claim the credit for certain alternative motor vehicles on Form 8910.

 Tentative Credit

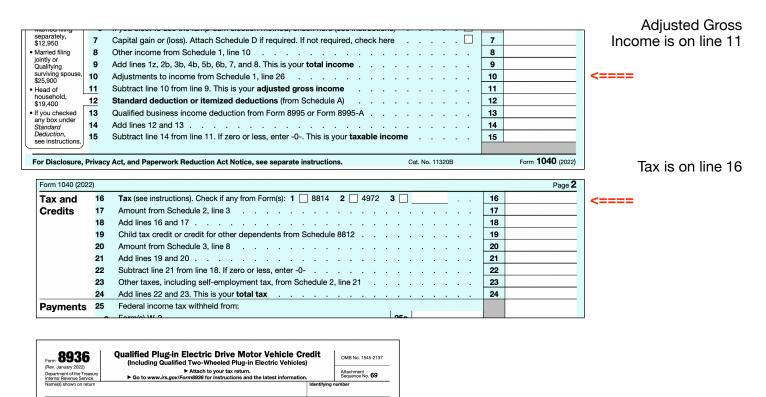
Use a separate column for each vehicle, if you need more columns, use additional Forms 8983 en include the totals on lines 12 and 19.

Year, make, and model of vehicle

 Vehicle identification number (see instructions) . . .

3 Enter date vehicle was placed in service (MM/DD/YYYY)

Check VIN for country of origin here: https://afdc.energy.gov/laws/electric-vehicles-for-tax-credit



(b) Vehicle 2

(a) Vehicle 1

2