

Claiming the Credit

To claim the credit for vehicles placed in service before January 1, 2024, file Form 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit (Including Qualified Two-Wheeled Plug-in Electric Vehicles) with your tax return.

Starting January 1, 2024, credit eligibility and amount will be determined at the time of sale using the IRS Energy Credits Online website. The dealer will complete and submit the time-of-sale report online, and it will be accepted or rejected in real time. The dealer is required to provide you with a copy of the time-of-sale report, and you will need it to claim the credit.

If the vehicle qualifies for a credit, you have two options:

1. You can claim the credit on your tax return for the year in which it was placed in service using Form 8936.
2. You can transfer the credit to the dealer so that they can apply the credit amount to your final purchase cost. This essentially allows you to receive the benefit of the credit at the time of sale. The dealer will be reimbursed by IRS. You must still fill out Form 8936 reporting your eligibility for the credit and your decision to transfer the credit to the dealer.

Note that if the vehicle qualifies but *you* do not qualify for the credit for any reason (e.g., your modified adjusted gross income exceeds certain thresholds), you must reimburse IRS for any difference in the credit for which you are eligible and the benefit you received from the dealer. Dealers are not required to verify the eligibility of the buyer at the time of sale. It is your responsibility to ensure that you meet all buyer requirements. The dealer is, however, required to provide the modified adjusted gross income requirements for your information.

For more information, see IRS updates frequently asked questions related to new, previously-owned and qualified commercial clean vehicle credits.