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TAXES

Which Vehicles Qualify for New \$7,500 Electric Vehicle Tax Credit?

The Inflation Reduction Act only offers tax credits on electric vehicles assembled in North America.

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By Erik Bascome, Staten Island Advance, N.Y. (TNS)

Those looking to purchase an electric vehicle could be eligible for a \$7,500 tax credit from the federal government, but because of language in the recently signed Inflation Reduction Act, only certain vehicles qualify.

The new law hopes to encourage electric vehicle production in the United States, and in an effort to do so, only offers tax credits on electric vehicles assembled in North America.

The Department of Energy's Alternative Fuels Data Center has released the full list of electric vehicles that currently qualify for the credit.

However, some manufacturers have already reached the 200,000 vehicle-cap for this year's credit, meaning those vehicles won't qualify for the tax credit again until Jan. 1, 2023.

Additionally, starting next year, the credit will only be available to individuals earning less than \$150,000 per year, or married couples earning less than \$300,000, and will only be offered on electric cars costing less than \$55,000 and electric trucks and SUVs costing less than \$80,000.

Here's a look at the vehicles that currently qualify for the new \$7,500 electric vehicle credit.

—2022 Audi Q5

—2022 BMW 3-series Plug-In

—2022 BMW X5

—2022 Chevrolet Bolt EUV — Manufacturer sales cap met

—2022 Chevrolet Bolt EV — Manufacturer sales cap met

—2022 Chrysler Pacifica PHEV

—2022 Ford Escape PHEV

—2022 Ford F Series

—2022 Ford Mustang MACH E

—2022 Ford Transit Van

—2022 GMC Hummer Pickup — Manufacturer sales cap met

—2022 GMC Hummer SUV — Manufacturer sales cap met

- 2022 Jeep Grand Cherokee PHEV
- 2022 Jeep Wrangler PHEV
- 2022 Lincoln Aviator PHEV
- 2022 Lincoln Corsair Plug-in
- 2022 Lucid Air
- 2022 Nissan Leaf
- 2022 Rivian EDV
- 2022 Rivian R1S
- 2022 Rivian R1T
- 2022 Tesla Model 3 — Manufacturer sales cap met
- 2022 Tesla Model S — Manufacturer sales cap met
- 2022 Tesla Model X — Manufacturer sales cap met
- 2022 Tesla Model Y — Manufacturer sales cap met
- 2022 Volvo S60
- 2023 BMW 3-series Plug-In
- 2023 Bolt EV — Manufacturer sales cap met
- 2023 Cadillac Lyriq — Manufacturer sales cap met
- 2023 Mercedes EQS SUV
- 2023 Nissan Leaf

Recent high gas prices have been driving many consumers to consider a switch to electric vehicles, with a recent survey finding that 25% of respondents were likely to buy a fully electric car for their next vehicle purchase, and 77% of those intending to switch cited saving on fuel as the primary reason for their decision.

Millennials were the most likely of any age group to say they would purchase a fully electric vehicle at 30%.

“The increase in gas prices over the last six months has pushed consumers to consider going electric, especially for younger generations,” said Greg Brannon, AAA’s director of Automotive Engineering and Industry Relations. “They are looking for ways to save, and automakers continue to incorporate cool styling and the latest cutting-edge technology into electric vehicles, which appeal to this group.”

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