



## Credit for Previously-Owned Clean Vehicles

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**Federal Agency:** Department of the Treasury

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**IRA Statutory Location:** 13402

**Tax Code Location:** 26 U.S. Code § 25E

**Tax Provision Description:** To provide a tax credit for purchasers of pre-owned clean vehicles

**Period of Availability:** Generally, vehicles placed in service in 2023-2032.

**Tax Mechanism:** Tax credit for consumers

**New or Modified Provision:** New

**Eligible Recipients:** Tax credit is not available for consumers who have adjusted gross incomes for the current or preceding year above \$150,000 (couples), \$112,500 (heads of household), \$75,000 (singles). Individuals can claim only once per three years. Vehicles must be sold by a dealer; the sale price must be \$25,000 or less; and it can only be claimed once per vehicle.

**Tribal Eligibility:** Yes, point of sale transfer to registered dealers (definition of “dealer” includes persons licensed by Indian Tribal governments to engage in the sale of vehicles)

**Base Credit Amount:** The lesser of \$4,000 or 30% of sale price

**Bonus Credit Amount:** None

**Direct Pay Eligibility:** No

**Transferability:** Yes. Starting in 2024, transferable only to the dealer at point of sale under section 25E(f) but not under section 6418.

**Stackability:** No rules

**Relevant Announcements:** [Request for Comments on Credits for Clean Vehicles \(10/5/2022\)](#)  
[Treasury and IRS set out procedures for manufacturers, sellers of clean vehicles \(12/12/2022\)](#)  
[Frequently Asked Questions About the New, Previously-Owned and Qualified Commercial Clean Vehicles Credit \(12/29/2022\)](#)