The EV Federal Tax Credit Checklist

9 questions that determine whether you actually qualify — before you sign anything

The federal EV tax credit (IRC Section 30D for new vehicles, 25E for used) is one of the most misunderstood parts of buying electric — income caps, price caps, battery-sourcing rules, and a completely different set of rules if you lease instead of buy. This checklist walks through the actual qualifying tests in order, so you know where you stand before you're sitting across from a finance manager.

PART 1 — DOES THE VEHICLE QUALIFY?

- [ ] **Final assembly happened in North America**
  Check the vehicle's window sticker or VIN decoder — this is a hard requirement, no exceptions, for both new purchases and leases-to-buy.
- [ ] **Battery component + critical minerals sourcing thresholds are met**
  This determines whether you get the full $7,500 or a partial $3,750 credit — the automaker or dealer should confirm the exact split for your specific trim and build date.
- [ ] **MSRP is under the vehicle-type cap**
  $80,000 for vans, SUVs, and pickup trucks; $55,000 for every other vehicle type (sedans, hatchbacks, etc.).
- [ ] **It's a new vehicle purchase (not used) if claiming the full new-vehicle credit**
  Used EVs qualify for a separate, smaller credit (30E) with its own rules — see Part 3.

PART 2 — DO YOU QUALIFY?

- [ ] **Modified AGI is under the income cap**
  $300,000 married filing jointly, $225,000 head of household, $150,000 all other filers — you can use the lower of your income in the year of purchase or the prior year.
- [ ] **You're buying for personal use, not resale**
  The credit isn't available if you intend to resell the vehicle shortly after purchase.

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Continued — leasing rules, used EVs, and the point-of-sale option

PART 3 — LEASING CHANGES EVERYTHING

- [ ] **You know leased EVs use a separate “commercial clean vehicle” rule**
  Vehicles acquired for lease by the leasing company can qualify for the credit without the assembly, price-cap, or income-cap tests that apply to purchases — this is why many EVs that don't qualify for purchase still show lease deals with the credit baked in.

- [ ] **You've asked the dealer whether the lease payment already reflects the credit**
  Some dealers pass the full $7,500 through as a capitalized cost reduction; others don't pass along all of it — ask for the number in writing before signing.

PART 4 — USED EV CREDIT (SECTION 25E)

- [ ] **Sale price is $25,000 or less**
  Used EV credit caps at 30% of sale price or $4,000, whichever is lower.

- [ ] **It's at least 2 model years old and this is its first resale**
  The used credit only applies to the vehicle's first transfer after the original sale.

- [ ] **Income caps are lower for used**
  $150,000 married filing jointly, $112,500 head of household, $75,000 all other filers.

POINT-OF-SALE TRANSFER (2024+)

As of 2024, you can transfer the credit to the dealer at time of sale and get it as an immediate price reduction instead of waiting for tax season — ask specifically whether the dealer is registered with the IRS Energy Credits Online portal to do this.

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Your next step, based on how you answered

SCORE YOURSELF

- **Checked every box in Parts 1 & 2**
  You likely qualify for the full new-vehicle credit — confirm the exact split with your dealer's IRS portal paperwork before you sign.
- **Mostly checked, but income or price cap is close**
  Talk to a tax preparer before you buy — modified AGI calculations aren't always what you'd expect, and it's cheaper to check first than to find out after filing.
- **Considering a lease instead**
  Re-read Part 3 — leasing sidesteps most of the purchase-side qualifying tests, which is why lease deals often advertise the credit even on vehicles that don't qualify to buy.
- **Looking at a used EV**
  Use Part 4's numbers specifically — the used credit has its own, tighter caps.

Want the numbers run for your specific situation?

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This checklist is educational, not tax advice. Tax credit eligibility depends on your individual circumstances and current IRS guidance — confirm details with a qualified tax preparer before purchase.