

## Inflation Reduction Act impacts Tax Credits for EV Buyers

The Inflation Reduction Act made changes to the tax credits available for the purchase of Electric Vehicles. There is now a limitation on the \$7,500 credit to only those cars assembled in the U.S. In addition, if the manufacturer has already reached its sales cap, then there is no credit available for 2022. However, they will qualify for a credit effective January 1, 2023.

In addition, effective January 1, 2023, the credit will be limited to individuals earning less than \$150,000 per year, and married couples earning less than \$300,000 per year. The credit is also limited to the cost of the electric vehicle. It is available for cars costing less than \$55,000 and electric trucks and SUVs costing less than \$80,000.

Here is a look at the vehicles that may 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 trucks
- 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



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- 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

In addition to the above, there is now a credit available for used electric vehicles of \$4,000 or 30% of the price, whichever is less. In this situation, the price must be below \$25,000 and the income caps are \$75,000 per year for individuals, and \$150,000 for joint filers.