

Cash Incentives to Buy an Electric Car

Are you in the market to buy or lease a new car? Go electric!

Today, there are many new electric vehicles on the market with cash incentives to encourage you to purchase or lease a car or truck and to install an associated charging station. Incentives change over time, so confirm with your dealer or another advisor about new developments.

Federal Tax Credit to Buy an Electric Car

The federal government offers a tax credit for plug-in electric vehicles (PEV) that can range between \$2,500 to \$7,500 depending on the size of the battery.¹ The Inflation Reduction Act of 2022 changed the rules for this credit for vehicles purchased from 2023 to 2032. Visit the IRS website to learn more about this credit: <https://www.irs.gov/credits-deductions/credits-for-new-clean-vehicles-purchased-in-2023-or-after>.

The credit is available to individuals and their businesses. To qualify, you must buy it for your own use, not for resale and use it primarily in the U.S. In addition, your modified adjusted gross income (AGI) may not exceed: \$300,000 for married couples filing jointly, \$225,000 for heads of households and \$150,000 for all other filers.

To illustrate, here is how the federal rebate can lower the cost of a **New 2023 Kia Niro EV** if you purchased this vehicle:

Example of Kia Dealer Purchase Price:	\$42,500
Federal tax credit	- \$7,500
Cost After Incentive:	\$35,000

Find information on credits for used clean vehicles at this IRS website: www.irs.gov/credits-deductions/used-clean-vehicle-credit. Find information on credits for qualified commercial clean vehicles at this IRS website: www.irs.gov/credits-deductions/commercial-clean-vehicle-credit.

Home Charging Incentives

The U.S. Department of Energy offers incentives to encourage you to install an electric charger at your home or office for your electric vehicle. Consumers who purchase qualified residential fueling equipment between January 1, 2023, and December 31, 2032, may receive a tax credit of up to \$1,000. For more information about claiming the credit, see IRS Form 8911, which is available on the IRS Forms and Publications website: www.irs.gov/forms-instructions-and-publications.

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¹ The federal tax credit is intended to help manufacturers boost their EV sales. As such, the tax credit phases out after a manufacturer sells 200,000 qualified EVs in the United States. Currently, Tesla and General Motors are the only two manufacturers who have reached this threshold, so their vehicles do not qualify for the credit.