

The Outlook for Electric Vehicle Sales Under the Inflation Reduction Act

IMPLICATIONS FOR AUTO FINANCING

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THE FIFTH BIENNIAL CONFERENCE ON AUTO LENDING
FEDERAL RESERVE BANK | PHILADELPHIA



EV Tax Credits



SECTION 30D
New Clean
Vehicle Credit



SECTION 45W
Commerical Clean
Vehicle Credit



SECTION 25E
Previously-Owned
Clean Vehicle Credit



2024 ISSUES:
Cash-on-Hood
.....
Reimbursement

SECTION 30D: New Clean Vehicle Credit (up to \$7,500)



Vehicle

Max Credit Look-Up

MSRP



Consumer

MAGI

Tax Liability

Not For Resale



Dealer

Taxpayer
Sales Report

SECTION 45W: Commercial Clean Vehicle Credit



Light-Duty

(up to \$7,500)

Commercial/Tax
Exempt Buyer



Heavy-Duty

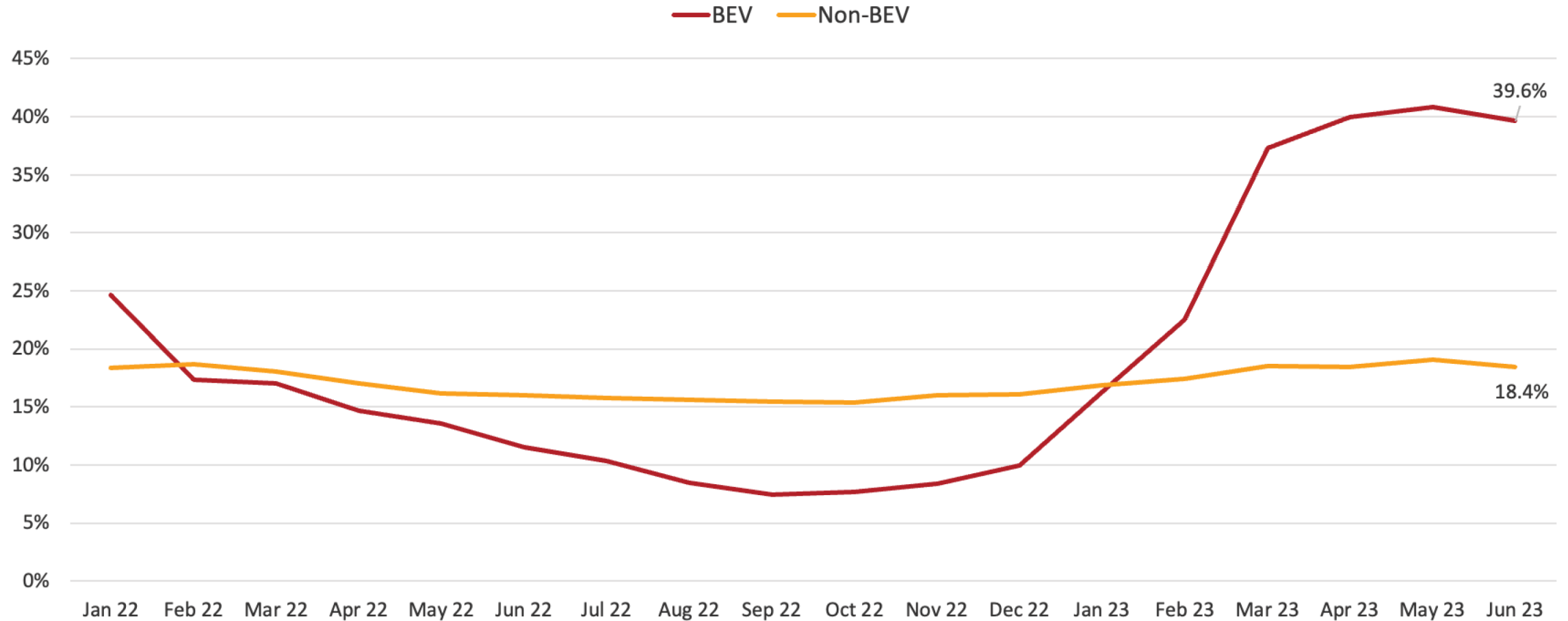
(up to \$40,000)

Lessor

Dealer



BEV vs. Non-BEV Lease Penetration



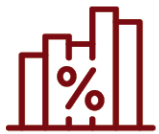
Source: J.D. Power PIN

Non-BEV includes gasoline, diesel, hybrid and plug-in hybrid powertrains

SECTION 25E: Previously-Owned Clean Vehicle Credit (up to \$4,000)



**THE SALE MUST BE THE FIRST OF THE EV TO A QUALIFIED BUYER SINCE 8/16/22
WHO WAS NOT THE ORIGINAL OWNER. A QUALIFIED BUYER IS AN INDIVIDUAL WHO:
A USED EV MUST BE.
THE SALE MUST:**



**Be to a Qualified Buyer with a MAGI
below the applicable cap**



**Be for \$25,000 or less, by a licensed
dealer, who provides the buyer with
credit report form**



2024 ISSUES:

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Reimbursement



Electric Vehicles Sales: **AUTO FINANCING** **CONSIDERATIONS**

Questions



NADA

