

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

Tax Credit for Ford Hybrids Begins Phase-Out

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WASHINGTON — The tax credit for hybrid passenger automobiles and light trucks manufactured by Ford Motor Company has begun to phase out for purchases made after March 31, 2009.

Taxpayers may claim the full amount of the credit only on purchases made before April 1, 2009, because the total number of vehicles sold reached the 60,000 vehicle threshold in the last quarter of 2008. The cumulative sales of qualified Ford hybrid vehicles sold from the period of Jan. 1, 2006, to Dec. 31, 2008 is 66,157.

For vehicles purchased for use or lease on or after April 1, 2009, and on or before Sept. 30, 2009, the credit is 50 percent of the full amount. For vehicles purchased for use or lease on or after Oct. 1, 2009, and on or before March 31, 2010, the credit is 25 percent of the full amount. For vehicles purchased for use or lease on or after April 1, 2010, no credit is allowable.

The full credit amount for vehicle purchases made prior to April 1, 2009 is

- 2005, 2006, 2007 Ford Escape 2WD, \$2,600;
- 2008, 2009 Ford Escape 2WD, \$3,000;
- 2005, 2006, 2007, 2009 Ford Escape 4WD, \$1,950;
- 2008 Ford Escape 4WD, \$2,200;
- 2010 Ford Fusion, \$3,400;
- 2008, 2009 Mercury Mariner 2WD, \$3,000;
- 2006, 2007, 2009 Mercury Mariner 4WD, \$1,950;
- 2008 Mercury Mariner 4WD, \$2,200;
- 2010 Mercury Milan, \$3,400