

Purchased A New Vehicle?



If you bought a new, **personal vehicle in 2025-2028**, you may be able to deduct interest paid on the vehicle loan.



To determine if a vehicle had final assembly in the U.S., check one of these:

- The information label attached to the vehicle on a dealer's premises
- The vehicle identification number (VIN)
- The National Highway Traffic Safety Administration (NHTSA) VIN Decoder

A qualified vehicle includes a **car, minivan, van, SUV, pick-up truck or motorcycle**, with a gross vehicle weight rating of less than 14,000 pounds and has undergone final assembly in the United States.

The new deduction is available for both **itemizing and non-itemizing** taxpayers. The VIN must be included on the tax return for any year the deduction is claimed. The maximum annual deduction is **\$10,000** and phases out for taxpayers with modified adjusted gross income over **\$100,000** (**\$200,000** for joint filers).

To qualify for the deduction, the interest must be paid on a loan for a vehicle that is new, for personal use and purchased after **December 31, 2024**. If a qualifying vehicle loan is later refinanced, interest paid on the refinanced amount is generally eligible for the deduction. For more information and additional requirements, refer to the **One, Big, Beautiful Bill provisions** page on IRS.gov.