



# New and Previously Owned Clean Vehicle Credit Time of Sale Reporting with Energy Credits Online

The information below provides a guide for Time of Sale Reporting for qualified manufacturers, dealers, sellers, and buyers using Energy Credits Online.

## Qualified manufacturers:

- › Qualified manufacturers submit periodic reports on Energy Credits Online with data on eligible vehicles.
  - Dealers/sellers will not be able to sell vehicles for which a buyer intends to claim a clean vehicle credit until qualified manufacturers have submitted the VIN to the IRS as eligible.
- › Energy Credits Online validates the eligibility of each vehicle according to the Inflation Reduction Act rules.
- › VINs are removed from the list of eligible vehicles once a time-of-sale report (also known as seller report) is received from a dealer/seller.

## Dealers/Sellers:

- › Each time an eligible vehicle is sold, the Dealer/Seller, with the Buyer present, completes a Time of Sale Report (also called a seller report) on Energy Credits Online.
- › Beginning on Jan. 1, 2024, buyers can elect to transfer their expected credit to a Registered Dealer, who will receive Advance Payments from the IRS in exchange for discounting the price of the vehicle. Buyers are limited to two transfers per year for their SSN/TIN.
- › Energy Credits Online ensures the vehicle sold was eligible and records the taxpayer it was sold to and the credit amount for at-filing reconciliation.
  - A successfully submitted time of sale report indicates the vehicle's VIN has been reported by the manufacturer as eligible for the credit to the IRS, provided other applicable requirements are met.

## Buyers:

- › Buyers provide information about themselves to the dealer/seller for the time of sale report, including SSN/TIN information that will be sent to the IRS through Energy Credits Online.
- › Buyers can confirm the clean vehicle they are purchasing is eligible for the credit through receipt of a valid time of sale report and confirmation that Energy Credits Online has accepted the submission for their clean vehicle purchase. Buyers must still meet certain income and other requirements.
- › When filing their annual tax return, the taxpayer must complete Form 8936 and 8936 Schedule A to claim the tax credit or verify a transferred credit for the qualifying purchase of a vehicle. Only the taxpayer whose SSN/TIN is listed on the time-of-sale report can claim the credit.
- › The IRS will process the tax return and integrate with Energy Credits Online to substantiate and validate claims.



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