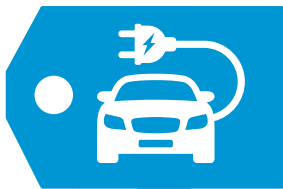


# Clean Vehicle Credit Transfer



## What is the clean vehicle credit transfer?

Beginning on Jan. 1, 2024, buyers of qualifying new and previously-owned clean vehicles can transfer their tax expected credit<sup>1</sup> to a dealer who has registered with the IRS as described below. The dealer can then provide the full amount of the expected credit to the buyer in the form of a downpayment for the purchase or cash, allowing the buyer to receive their full credit at the time of the sale.



### Dealers need to know:

To participate in the clean vehicle credit transfer, a dealer must be licensed to sell vehicles and register through [Energy Credits Online](#) on IRS.gov.

At the time of vehicle sale if the buyer elects and the dealer accepts, the dealer completes an advance payment request as part of the time of sale report (also called seller report) that includes the amount provided to the buyer along with the dealer and vehicle information.

Energy Credits Online will provide dealers real-time confirmation of whether submission is accepted based on information in the time of sale report and VIN information provided by manufacturers to the IRS. After successfully submitting the time of sale report online, dealers will receive payment of the amount they provided to the buyer, usually within 72 hours.

Dealers are not required to verify buyers income, however, they must provide buyer with disclosures.

Dealers must provide buyer with a time of sale report to use at filing and confirmation of Energy Credits Online acceptance.



### Buyers need to know:

At the time of sale, buyers can choose to transfer their clean vehicle credit to a participating dealer. In exchange, they will receive the credit in the form of a downpayment for the purchase or cash equal to the full value of the credit to which the buyers would otherwise be eligible. See if a vehicle qualifies by visiting [fuelconomy.gov](#).

To receive a new or previously-owned clean vehicle credit, a buyer's modified adjusted gross income must be below certain thresholds. Visit [IRS.gov/cleanvehicles](#) for more information.

Buyers must complete a transfer election and work with their dealer to submit information and attestations for a time of sale report. The dealer is required to provide a copy to the buyer at the time of sale, which includes information necessary to claim the credit on the buyer's annual tax return.

Buyers who transfer the credit must complete and submit form 8936 Schedule A using information from the time of sale report when filing their annual tax return. Even if the vehicle is eligible, buyers who elect to transfer the credit but who fail to meet the income thresholds or eligibility criteria will need to repay the IRS when filing their tax return.

<sup>1</sup> The Commercial Clean Vehicle credit under Section 45W cannot be transferred to a dealer.