



SAVE MONEY ON ELECTRIC VEHICLES

Here in Seattle, we can reduce 97% of our greenhouse gas emissions by replacing fossil fuel-powered vehicles with electric models that operate on City Light's carbon-neutral electricity.

The Inflation Reduction Act (IRA) offers \$370 billion in funding to reduce greenhouse gas emissions by providing tax credits and incentives directly to households that purchase clean energy technologies. Many new and used EV purchases are also eligible for additional incentives via Washington State.

INFLATION REDUCTION ACT RESOURCES

New and used EVs are eligible for IRA credits when filing federal taxes. Beginning in 2024, you can apply IRA credits for an immediate discount at the dealership.

[More Information](#)

[FAQ](#)

New Vehicle Credit Maximum credit: \$7,500	Used Vehicle Credit Maximum credit: \$4,000 or 30% of sale price, whichever is lesser
<p><u>Purchase Price</u> Vans, SUVs, and pick-up trucks: \$80,000 and under All other vehicles: \$55,000 and under</p>	<p><u>Purchase Price</u> \$25,000 and under This credit is only available through dealership purchases, and can only be claimed once every three years.</p>
<p><u>Maximum Income Eligibility Dyring Tax Filing</u></p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; text-align: center;"> <p>\$300,000 Married Filing Jointly</p> </div> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; text-align: center;"> <p>\$225,000 Head of Household Filing</p> </div> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; text-align: center;"> <p>\$150,000 All Other Filers</p> </div> </div>	<p><u>Maximum Income Eligibility Dyring Tax Filing</u></p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; text-align: center;"> <p>\$150,000 Married Filing Jointly</p> </div> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; text-align: center;"> <p>\$112,500 Head of Household Filing</p> </div> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; text-align: center;"> <p>\$75,000 All Other Filers</p> </div> </div>
<p><u>Which Vehicles Qualify?</u> Find qualifying vehicles at FuelEconomy.gov</p>	<p><u>Which Vehicles Qualify?</u> Used vehicle must be a model year at least two years earlier than the calendar year when you buy it.</p>

WASHINGTON STATE RESOURCES

New and used electric vehicles are exempt from state retail sales and use tax, up to a portion of the sales or leasing price. Vehicles must meet certain requirements, and the exemption happens during vehicle registration through the Department of Licensing. The exemption applies to both dealer and private sales.

[More Information](#)

[FAQ](#)



Photo credit: EV test drive, CT Senate Democrats, Flickr Creative Commons.

<u>Purchase Price</u>	<u>Exemption Amount</u>	<u>Which Vehicles Qualify?</u>
Sales price, total lease payments, or fair market value: \$45,000 or less for new vehicles, \$30,000 or less for used vehicles	New vehicles: up to \$15,000 of the sale or lease price, if purchased before July 31, 2025 Used vehicles: up to \$16,000 of the sale or lease price, if purchased before July 31, 2025	Find qualifying vehicles

EXAMPLE EV PURCHASE SCENARIO



Step 1:
It's April 2024: you purchase a new 2023 Chevy Bolt from a car dealership in your city for \$29,000 MSRP.



Step 2:
You save \$7,500 on the sale, as the dealer applies the IRA new vehicle credit as a discount, bringing the purchase price to \$21,500.



Step 3:
The dealer prepares the registration paperwork for the Department of Licensing. Up to \$15,000 of the price on your EV qualifies for a sales and use tax exemption. This means you pay \$1,477 in those taxes, saving \$1,582.50.