



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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