



IRS

Alternative Motor Vehicle Credit Credit for Qualified Hybrid Vehicles 2007 Model Year Qualified Vehicle List

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**Motor Vehicle
Technical
Advisor
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Introduction

The Energy Policy Act of 2005 provides a credit for taxpayers who purchase certain energy efficient vehicles, including **Qualified Hybrid vehicles**. The IRS has provided procedures for manufacturers to certify that certain passenger autos and light trucks qualify for the credit and the amount of the credit. Guidance regarding the credit for other energy efficient vehicles and new qualified hybrid motor vehicles that are not passenger automobiles or light trucks will be provided separately from the guidance on hybrid autos and light trucks.

The **IRS has acknowledged** the manufacturers' certifications for many automobiles and light trucks for model years 2005 through 2007 and issued a News Release for each acknowledgement. The IRS also issues news releases announcing the results of the required manufacturers' quarterly sales reports. All of the news releases can be found at www.irs.gov. Qualified 2007 model year's vehicles and their credit amounts are listed at the end of this document.

Additional Requirements

Even though a manufacturer has certified a vehicle, a taxpayer must meet additional requirements to qualify for the credit including:

- (1) The vehicle must be placed in service after 12/31/2005 and purchased on or before 12/31/2010
- (2) The original use of the vehicle must begin with the taxpayer claiming the credit.
 - a. The credit may only be claimed by the original owner of a new, qualifying, hybrid vehicle and does not apply to a used hybrid vehicle.
- (3) The vehicle must be acquired for use or lease by the taxpayer claiming the credit.
 - a. The credit is only available to the original purchaser of a qualifying hybrid vehicle. If a qualifying vehicle is leased to a consumer, **the leasing company may claim the credit.**
- (4) The vehicle must be used predominantly within the United States

Credit Phase Out

The new qualified hybrid motor vehicle credit begins to **phase out** in the second calendar quarter after the calendar quarter in which at least 60,000 of the manufacturer's qualifying passenger automobiles and light trucks have been sold. After review of the required manufacturers' quarterly reports, the IRS announces whether a taxpayer may still rely on the manufacturers' certification and whether the credit on any manufacturer's vehicle must be limited. Based on quarterly sales reports provided by Toyota of America, available credits on all Toyota and Lexus vehicles are reduced.

How to Claim the Credit

[Form 8910 Alternative Motor Vehicle Credit](#) is used to claim the qualified hybrid vehicle credit. If the qualifying hybrid vehicle is purchased for business use, the credit for the business use of a qualifying hybrid vehicle is reported on [Form 3800, General Business Credit](#). For qualifying hybrid vehicles acquired for personal use, the credit is reported on the appropriate line of the taxpayer's [Form 1040](#). For additional information on the proper reporting of the Alternative Motor Vehicle Credit, see the instructions to Form 8910 on page two of the form.

Conclusion

The Alternative Motor Vehicle Credit includes provision for energy efficient vehicles other than hybrid autos and light trucks. The IRS has issued guidance on some of these credits and anticipates issuing additional clarifications. Additionally, it is likely that other hybrid vehicles will qualify for credits. If you have any questions, contact MVTA, Terri Harris at Terri.S.Harris@irs.gov or see www.irs.gov for additional information.

Qualifying Vehicles – Model Year 2007 (for prior year vehicles see www.irs.gov)

Model Year	Make	Model	Credit Amount	
2007	Chevrolet	Silverado 2WD Hybrid Pickup	\$250	
2007	Chevrolet	Silverado 4WD Hybrid Pickup	\$650	
2007	Ford	Escape Hybrid 2WD	\$2600	
2007	Ford	Escape Hybrid 4WD	\$1950	
2007	GMC	Sierra 2WD Hybrid Pickup	\$250	
2007	GMC	Sierra 4WD Hybrid Pickup	\$650	
2007	Honda	Accord AT and Accord Navi	\$1300	
2007	Honda	Civic CVT	\$2100	
2007	Lexus	GS450h	Purchase Date	
			1-1-06/ 9-30-06	\$1550
			10-1-06/ 3-31-07	\$775
			4-1-07/ 9-30-07	\$387.50
			10-1-07	\$0
2007	Lexus	RX 400 4WD and 2WD	Purchase Date	
			1-1-06/ 9-30-06	\$2200
			10-1-06/ 3-31-07	\$1100
			4-1-07/ 9-30-07	\$550
			10-1-07	\$0
2007	Mercury	Mariner Hybrid 4WD	\$1950	
2007	Nissan	Altima Hybrid	\$2350	
2007	Saturn	Vue Green Line	\$650	
2007	Toyota	Camry Hybrid	Purchase Date	
			1-1-06/ 9-30-06	\$2600
			10-1-06/ 3-31-07	\$1300
			4-1-07/ 9-30-07	\$650
			10-1-07	\$0
2007	Toyota	Prius	Purchase Date	
			1-1-06/ 9-30-06	\$3150
			10-1-06/ 3-31-07	\$1575
			4-1-07/ 9-30-07	\$787.50
			10-1-07	\$0
2007	Toyota	Highlander Hybrid 2WD and 4WD	Purchase Date	
			1-1-06/ 9-30-06	\$2600
			10-1-06/ 3-31-07	\$1300
			4-1-07/ 9-30-07	\$650
			10-1-07	\$0

Automotive Alert

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