March 6, 2025

**Via E-Mail Correspondence**

Shelley Leonard
Assistant Secretary, Tax Policy (Acting)
Office of Tax Policy
Department of the Treasury ("Treasury")
1500 Pennsylvania Ave., NW, Room 3120
Washington, D.C. 20220

Melanie Krause
Commissioner (Acting)
Internal Revenue Service ("IRS")
1111 Constitution Ave., NW
Washington, D.C. 20224

**Re: Request for Relief for Franchised Automobile and Truck Dealers and Their Customers for Clean Vehicle Tax Credit Time of Sale Reporting Issues**

Dear Ms. Leonard and Ms. Krause:

On behalf of the National Automobile Dealers Association ("NADA"),[1] we are writing to formally request relief for franchised new and used light-duty automobile and truck dealers and their customers that have had compliance issues with the Time of Sale reporting requirements for Section 25E and Section 30D clean vehicle tax credits for 2024 clean vehicle sales. The compliance issues have resulted from the failure and/or inability to timely submit Time of Sale reports in the Energy Credits Online ("ECO") portal, the longstanding issues with registration in the portal, and the lack of responsiveness to messages sent to the IRS through secure messaging in the portal.

We very much appreciate our collaborative relationship with Treasury and IRS and the efforts to provide dealers and consumers important outreach and education related to the clean vehicle tax credits. Nevertheless, we want to emphasize the scale of ongoing issues and the resulting harmful consequences. Absent imminent relief, both franchised dealers and many of their customers will incur significant financial losses.

In recent weeks, NADA has frequently heard about situations where dealers failed or were unable to timely file Time of Sale reports for transactions in 2024. These situations involve both advance payment transactions where the credit was applied to the transaction at the point of sale and

[1] NADA represents over 16,000 franchised automobile and truck dealerships that sell new and used motor vehicles and engage in service, repair, and parts sales. Together they employ more than 1,100,000 people nationwide, yet most are small businesses as defined by the Small Business Administration.

transactions where the purchaser opted to receive the credit in connection with the filing of his or her 2024 personal tax return. In these circumstances, the adverse consequences are either (1) dealers cannot secure reimbursement from the IRS for the credit or (2) customers cannot claim the credit because no timely Time of Sale report was filed and, therefore, the subject vehicle's VIN is not in the IRS's system.

Furthermore, some dealers are continuing to face ECO portal registration issues—in many cases registration has remained in "pending" status for several months. The registration issues have prevented dealers from selling qualifying vehicles to interested customers. In the scenarios where the IRS requested additional information from a dealer, many dealers have promptly provided the requested information hoping for the completion of their registration in a timely manner, but no such completion has been forthcoming.

Finally, for several months, the IRS has been unresponsive to dealers' attempts to obtain assistance and accommodation via secure messaging in the ECO portal. The responses a few dealers have received include, for example, a statement that the IRS is reviewing the issue and working "as diligently and expeditiously as we can." These responses do not provide the necessary clarity to guide the current actions of adversely impacted dealers and customers with a rapidly approaching tax filing deadline on April 15, 2025.

Regardless of any technical non-compliance with certain regulatory requirements for clean vehicle tax credits, reimbursement is not only financially imperative for these dealers and consumers, but also furthers the underlying purpose of the credits which is to promote clean vehicle sales. The denial of reimbursement for the affected dealers and the denial of credits for customers who forewent the advance payment process both warrant immediate remediation. Given the ongoing technical and administrative difficulties outlined above, dealers should not be forced to incur this loss merely because they missed a report submission deadline or because their portal registration remained in "pending" status due to technological issues or an IRS processing backlog. Similarly, customers who otherwise fully qualified for a clean vehicle credit should not be penalized because their dealer may have failed to file the Time of Sale report in a timely fashion. Rather, both dealers (in cases where advance payment of the credit was provided) and customers (in cases where the advance payment option was declined) should receive the full value of the clean vehicle tax credits.

Thank you for your immediate consideration of this request. If you have questions, or need clarification about the underlying circumstances, please do not hesitate to contact me.

Very truly yours,

Daniel E. Ingber
Senior Vice President, Regulatory Affairs