

Hybrid Cars and Alternative Fuel Vehicles

Last updated Dec. 11, 2007

Vehicles Purchased or Placed in Service

The Energy Policy Act of 2005 replaced the clean-fuel burning deduction with a tax credit. A tax credit is subtracted directly from the total amount of federal tax owed, thus reducing or even eliminating the taxpayer's tax obligation. The tax credit for hybrid vehicles applies to vehicles purchased or placed in service on or after January 1, 2006.

The credit is only available to the original purchaser of a new, qualifying vehicle. If a qualifying vehicle is leased to a consumer, the leasing company may claim the credit.

Hybrid vehicles have drive trains powered by both an internal combustion engine and a rechargeable battery. Many currently available hybrid vehicles may qualify for the tax credit.

These models have been certified for the credit in the following amounts:

2008 Model Year Hybrid Vehicles

Make	Model	Credit Amount	
Chevrolet	Malibu Hybrid	\$1,300	
Chevrolet	Tahoe Hybrid 2WD and 4WD	\$2,200	
Ford	Escape Hybrid 2WD	\$3,000	
Ford	Escape Hybrid 4WD	\$2,200	
GMC	Yukon Hybrid	\$2,200	
Honda**	Civic CVT	Purchase Date	
		Prior to 1/1/08	\$2,100
		1/1/08 -- 6/30/08	\$1,050
		7/1/08 -- 12/31/08	\$525
	1/1/09 and later	\$0	
Mazda	Tribute 2WD	\$3,000	
Mazda	Tribute 4WD	\$2,200	
Mercury	Mariner Hybrid 2WD	\$3,000	

Mercury	Mariner Hybrid 4WD	\$2,200	
Nissan	Altima Hybrid	\$2,350	
Saturn	Aura hybrid	\$1,300	
Saturn	Vue Green Line	\$1,550	
Toyota*	Camry Hybrid	Purchase Date	
		1/1/06 -- 9/30/06	\$2,600
		10/1/06 --3/31/07	\$1,300
		4/1/07 -- 9/30/07	\$ 650
		10/1/2007 and later	\$ 0
Toyota*	Prius	Purchase Date	
		1/1/06 -- 9/30/06	\$3,150
		10/1/06 --3/31/07	\$1,575
		4/1/07 -- 9/30/07	\$787.50
		10/1/2007 and later	\$ 0
Toyota*	Highlander Hybrid 4WD	Purchase Date	
		1/1/06 -- 9/30/06	\$2,600
		10/1/06 --3/31/07	\$1,300
		4/1/07 -- 9/30/07	\$ 650
		10/1/2007 and later	\$ 0
Lexus*	RX 400h 2WD and 4WD	Purchase Date	
		1/1/06 -- 9/30/06	\$2,200
		10/1/06 --3/31/07	\$1,100
		4/1/07 -- 9/30/07	\$ 550
		10/1/2007 and later	\$ 0
Lexus*	LS 600h L Hybrid	Purchase Date	

		1/1/06 -- 9/30/06	\$1,800
		10/1/06 --3/31/07	\$900
		4/1/07 -- 9/30/07	\$ 450
		10/1/2007 and later	\$ 0

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