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Heavy Duty Truck Dealers Can Get HUGE Tax Credits for Vehicles Sold

As you may know, hybrid, alternative fuel and certain other vehicles that are sold to customers qualify for federal income tax credits, which can be **as much as \$12,000 per vehicle**. But did you know that if you sell the vehicle to an organization that cannot use the credit because they don't pay federal income taxes, **your dealership can claim the credit?**

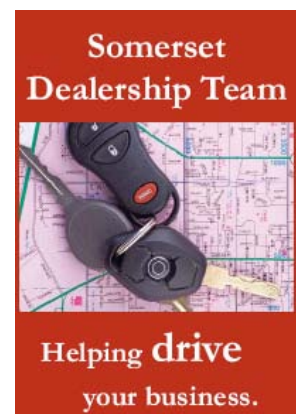
Most dealers are operating on strict budgets today and cash is particularly tight. Wouldn't a "gift" of as much as \$12,000 for each qualifying vehicle be welcomed?

As long as certain requirements are met, including notification to the nonprofit or governmental entity that the vehicle sold to them qualified for the federal tax credit, you can claim the credit on your dealership's tax return. The notification does *NOT* have to take place at the time of the sale, but instead can be made before you file the dealership tax return for 2007. So now is a good time to determine if there were any qualifying sales to nonprofit groups, towns or government agencies in 2007, quantify the credit that can be used by the dealership and then make sure that the required notifications have been made.

Many, many vehicles qualify for this credit, and we can provide you with a list of these vehicles—just give us a call or send an e-mail to us.

To see if you can get some benefit from these credits, take the following steps now:

1. Extract a listing of all sales of eligible new vehicles to nonprofit and governmental entities during the year (2007). Be careful **NOT** to include leases of vehicles, since the dealer does not qualify for the credit on leases. (Note: The vehicle must be purchased for use predominantly within the United States.)
2. Determine the allowable credit per vehicle.
3. Calculate the tax benefit of the available credits to the dealership and its owners.
4. Prepare and send the notification to the nonprofit organizations and governmental entities. The notification must include the amount of credit allowable. We have a sample notification meeting the IRS requirements that is available to you at your request.



Please contact a member of the Somerset Dealership Team with any questions. We can be reached at 317.472.2200, 800.469.7206 or info@somersetcpas.com.

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