

SUBJECT: IMPORTANT TAX UPDATE – NEW VEHICLE LOAN INTEREST DEDUCTION FOR 2025

Dear USSCO Members:

This is to inform you about a new federal tax benefit that may apply to your 2025 vehicle loan. Under the **One Big Beautiful Bill Act**, the IRS now allows eligible taxpayers to deduct up to **\$10,000 per year** in interest paid on qualified vehicle loans for **new personal-use vehicles** purchased in 2025 through 2028.

WHAT YOU NEED TO KNOW: To qualify for this deduction, the following criteria must be met:

- **Vehicle Type:** Must be a new car, SUV, pickup truck, minivan or motorcycle.
- **Final Assembly:** The vehicle must have undergone final assembly in the United States. This is determined by the vehicle's VIN Number.
 - Please visit: <https://vpic.nhtsa.dot.gov/decoder> to see if your vehicle qualifies.
- **Loan Originator:** The loan must have originated on or after January 1, 2025.
- **Use:** The vehicle must be for personal use only (not leased, commercial or fleet).
- **Weight Limit:** The vehicle must have a gross vehicle weight rating under 14,000 pounds.
- **Income Limits:**
 - Deduction begins to phase out at **\$100,000 MAGI** for single filers and **\$200,000 MAGI** for joint filers.
 - It is reduced by **\$200 for every \$1,000** above the threshold and phases out completely at **\$150,000 (single) or \$250,000 (joint)**.

IRS REPORTING REQUIREMENTS: To help you claim this deduction, the USSCO Federal Credit Union will be mailing out a personalized letter with the necessary tax information to those members that qualify based on the criteria listed above.

Additionally, when filing your 2025 federal tax return, you will need to complete **Schedule 1-A** and include the **Vehicle Identification Number (VIN)** of the qualifying vehicle.

We encourage you to consult with a tax professional to determine your eligibility and ensure proper documentation. If you have questions about your loan or the information we'll provide, please contact your local USSCO Federal Credit Union branch location.

Sincerely,

Greg Sisitki, CEO

