

United States Senate

WASHINGTON, DC 20510

The Honorable Scott Bessent
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Bessent,

We write to alert you to a serious violation of Congressional intent that threatens great harm to U.S. taxpayer dollars and ask for your immediate assistance in rectifying this problem.

As you know, Congress recently enacted Public Law 119-21, the One Big Beautiful Bill Act, giving working class families massive tax relief, ending the Green New Scam, and fully funding our border security and national security needs. As part of this law, Congress amended Sections 25E, 30D, and 45W of the tax code, which collectively provide tax credits for the purchase of certain “clean vehicles.” These electric vehicle subsidies were costing taxpayers billions of dollars each year and distorting the market for automakers and dealers across the country, and we are extremely pleased that Congress acted decisively to cut these credits off. The intent of P.L. 119-21 is clear – no credits allowed after September 30, 2025.

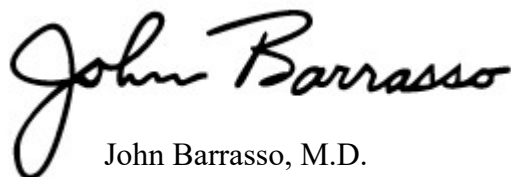
To implement this law, on August 21, 2025, the Internal Revenue Service (IRS) issued guidance (IR-2025-86) which provided clarification on the availability of the EV subsidies for taxpayers who enter into a written binding contract and make a downpayment on an eligible “clean vehicle.” This guidance, while well intentioned, is unfortunately being taken advantage of by certain car companies who wish to continue bilking the U.S. taxpayer. It has come to our attention that certain car companies are gaming this guidance by instructing their captive financial entities to enter into written binding agreements with dealers for electric vehicles, paying a nominal downpayment, to secure the credits on vehicles that may not be leased to the end user for months.

Given this concerning information, we write to request your assistance to close this loophole and address the total violation of Congressional intent by these nefarious actors. Treasury, working with the IRS, must act decisively to clarify the guidance to ensure that only written binding agreements which identify the lessee are eligible and that the deposit must be made by the end user to qualify. We look forward to working with you to address this issue promptly in order to protect taxpayer dollars.

Sincerely,



Bernie Moreno
United States Senator



John Barrasso, M.D.
United States Senator