



For Immediate Release

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**Last-Minute Car Shoppers Need to Consider Financing Basics
Before Taking Advantage of 2009 Vehicle Tax Deduction, Says AWARE**

WASHINGTON December 16, 2009 – As the new vehicle sales tax deduction nears its expiration date, shoppers looking to take advantage of the incentive should familiarize themselves with vehicle financing, says the Americans Well-informed on Auto Retailing Economics (AWARE).

The Internal Revenue Service announced in March 2009 as part of “The American Recovery and Reinvestment Act” that taxpayers who buy a new vehicle this year may be entitled to deduct state and local sales taxes and excise taxes paid on their 2009 tax returns. The tax deduction was designed to help stimulate interest in new vehicle sales.

“While tax breaks and other year-end deals like automaker rebates and incentives can make this an attractive time to buy a new car or truck, consumers should also evaluate their financial situation,” says AWARE spokesman Eric Hoffman. “As with any major purchase, an incentive or sale should be weighed as part of the whole process. Those who decide to buy a vehicle should set a budget, comparison shop and understand common financing terms.”

The deduction is limited to taxes paid on up to \$49,500 of the purchase price of a qualified new car, light truck, motor home or motorcycle made from Feb. 17, 2009, through Dec. 31, 2009, according to the IRS Web site (www.irs.gov). Taxpayers whose modified adjusted gross income is between \$125,000 and \$135,000 for individual filers and between \$250,000 and \$260,000 for joint filers are eligible for a reduced credit. Those with higher incomes do not qualify. Shoppers should consult with their tax advisors about how these deductions might apply to them.

AWARE is a vehicle financing industry effort to help consumers understand how auto financing works. The group provides potential buyers of new and used autos with the tools and resources they need to successfully navigate the auto financing process. The AWARE Web site (www.autofinancing101.org) includes materials in English and Spanish.

AWARE’s members include: American Financial Services Association, National Automobile Dealers Association, National Association of Minority Automobile Dealers, American International Automobile Dealers Association, American Honda Finance Corp., American Suzuki Financial Services, AutoNation, Ford Motor Credit Company, GMAC Financial Services, Group 1 Automotive, Inc., Lithia Motors, National Auto Finance Co., Nissan Motor Acceptance Corp., Nuvel Financial Services, Saab Financial Services Corp., Sonic Automotive, Inc., Toyota Financial Services, United Auto Group, Inc., Volvo Car Finance North America and Wells Fargo Auto Finance.

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