

The window sticker does not decide the car-loan interest break

A “Made in USA” badge is not the same thing as a car built in a U.S. plant. Before you sign this weekend, ask three plain questions.

Lots of people are car shopping this weekend. Some sales desks will point at a flag on the window and say the interest on the loan might come off your taxes. That pitch skips the real test.

The break comes from the One Big Beautiful Bill car-loan interest rules. It is about interest you pay on a loan for a car that qualifies. It is not a coupon on the sticker price. There is no special “MSRP cap” that makes an expensive car fail by itself. The dollar limit people hear about is a cap on how much interest you can count, and higher incomes can shrink the break. Your lender may later send Form 1098-VLI so the interest shows up on a tax form. That form is a record. It does not, by itself, mean the car qualified.

1. Is the car new to you?

The IRS idea is “original use.” That means you are the first person to use the car, not that the odometer says zero and not that the lot called it certified. A demo another driver already used, a car with a prior owner, or a normal used car on the back lot usually fails this gate. A lease is not this loan either. You are renting the car, not buying it with a loan you can point at on a 1098-VLI.

2. Was it finally assembled in the United States?

This is the part the sticker gets wrong. “Built in USA,” a dealer slogan, or a flag decal is marketing. The plant country is the fact. For this break, final assembly has to be in the United States. A plant in Puerto Rico does not pass. The first digit of the VIN is an old rumor. That character is not a yes-or-no on where the car was screwed together. You have to look up the plant, not guess from one digit or from the poster in the showroom.

3. Is it a loan for a car you will use yourself?

The break is aimed at a personal vehicle loan, not every kind of paper a finance office can print. If the deal is a lease, a refinance of an old loan that never qualified, or a car you are only buying to rent out, do not assume the interest counts. Ask what the contract actually is before you care about the tax line.

None of this replaces a tax pro. Assembly Alert’s free VIN check is built to show plant country and separate that from the first-digit myth, so you are not arguing with a window cling. If the three answers are not a clean yes, treat the Sunday “tax savings” pitch as a story, not a discount. <https://assemblyalert.com>

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