



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

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UIL: 165.00-00

Dear _____ :

I am responding to your inquiry to President Barack Obama. You wrote about an individual's inability to claim a deduction for state and local sales and excise taxes for new vehicles purchased prior to February 17, 2009.

The American Recovery and Reinvestment Act of 2009 provided a deduction for state and local sales and excise taxes paid on up to \$49,500 of the purchase price of qualified new vehicles. The amount of the deduction is phased out at certain income levels.

The President signed the American Recovery and Reinvestment Act into law on February 17, 2009. Because this measure was not retroactive, it was effective for cars purchased after February 16, 2009, and before January 1, 2010.

I am sorry your response cannot be more favorable. If you have additional questions, please contact _____, Identification Number _____, at _____.

Sincerely,

Thomas D. Moffitt
Branch Chief, Branch 2
(Income Tax & Accounting)