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GM Admits that Dealerships are Taking Chevy Volt Tax Credits

Submitted by [Mark Modica](#) on Tue, 05/31/2011 - 14:43

Automobilemag.com reports that General Motors has responded to [my report questioning whether dealerships are gaming Chevy Volt tax credits](#). Chevy Volt spokesperson, Rob Peterson, states that "NLPC is confused." He then goes on to confirm that the dealerships purchasing Chevy Volts and reselling them as used vehicles are entitled to the \$7,500 tax credit. Clearly, it is GM that is confused, considering that this was the main point of my report.



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GM does not deny that Chevy dealerships are selling Chevy Volts to other dealerships, including a KIA dealership, for resale. At the same time, Peterson also touts the high demand for Volts claiming, "we don't sell Volts at the moment - it's almost like we deliver them." By this statement, you wouldn't know that sales for the Volt averaged a dismally low 425 per month for the first four months of the year. GM recently stated that they had the capacity to build at a pace of 17,000 per year. So, here's a question for GM and Mr. Peterson: If demand is so high for the Chevy Volt, why would a Chevy dealership sell the vehicle to other dealerships, particularly when there are supposedly customers lined up to pay full price? The answer seems clear to me. GM is exaggerating the "high demand" for the Volt. And allowing dealerships to take the tax credit intended for consumers is just wrong.

Peterson also claims that no issues exist with dealerships taking the tax subsidies as long as they are honest with customers. Unfortunately, there is no guarantee of that being the case. Many customers who buy Chevy Volts may feel that they are entitled to the tax credit, especially if they are paying near MSRP and the vehicles have such low mileage. The IRS form in its current form does not safeguard against double claiming of the tax credit.

More investigation is warranted on the practice of dealerships taking tax credits and reselling Chevy Volts as used cars. Treasury should modify the IRS tax credit form to clearly disallow dealerships from taking the tax credit. Also, I personally don't think businesses like General Electric, headed by Obama friend Jeff Immelt, should be allowed to take millions of tax dollars in credits when they purchase thousands of the vehicles, as planned. An identifier field for the Vehicle Identification Number should be added to the form to prevent double claims of the tax credit. General Motors has a responsibility to ensure that Chevy Volt tax credits are



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reserved for the consumers that they were designed to benefit. Misguided as tax subsidies for the Chevy Volt may be, the least taxpayers deserve is assurance that abuses are not occurring.

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