

Are You An Auto Loan Lender?



If you service auto loans as a lender, you are **required** to report the interest received and provide that information to the buyer.

A **new tax benefit for 2025** allows certain taxpayers to deduct qualified passenger vehicle loan interest paid during a taxable year beginning after **Dec. 31, 2024, and before Jan. 1, 2029**, provided the loan is incurred after **Dec. 31, 2024**, the vehicle is purchased for personal use and has final production in the United States.

You can meet your reporting obligations in 2025 by providing a statement to the buyer indicating the total amount of interest received through:

- An online portal the buyer can easily access,
- A regular monthly statement,
- An annual statement, or
- Another similar way that provides accurate information to the buyer showing interest they paid

Under transition relief for 2025, the IRS will not impose penalties on lenders for a failure to file information returns and provide payee statements if they satisfy their reporting obligations.

Businesses that receive **\$600** or more in interest on a qualified passenger vehicle from any individual for any calendar year must comply with reporting requirements. For more information, refer to the **One, Big, Beautiful Bill provisions** page on IRS.gov.