Parkers Prairie Tax Service
Tax Consultant

2026 Car Loan Interest Worksheet

Qualified passenger vehicle loan interest deduction (2025–2028)
Complete one worksheet per vehicle

Borrower name(s): _____ Date completed: _____

Vehicle (year / make / model): _____ VIN (17 digits): _____

How it works. You may be able to deduct up to **$10,000** of interest per year on a loan for a **new, U.S.-assembled** vehicle bought mainly for personal use – even if you don't itemize. The deduction shrinks once income is over $100,000 ($200,000 married filing jointly). **Minnesota does not allow this deduction.**

If you answer "No" to any question in Section 1, the loan does not qualify – you can stop there. Not sure? Check "Not sure" and we'll look it up together.

1 DOES THE VEHICLE AND LOAN QUALIFY?

1	Was the vehicle **new** when you bought it (you were its first owner)? *Used vehicles and lease buyouts do not qualify.*	☐ Yes ☐ No ☐ Not sure
2	Is it a **car, minivan, van, SUV, pickup truck or motorcycle** made for use on public roads? *RVs, campers, trailers and ATVs do not qualify.*	☐ Yes ☐ No ☐ Not sure
3	Is the **gross vehicle weight rating (GVWR) under 14,000 pounds**? *Shown on the sticker inside the driver's door.*	☐ Yes ☐ No ☐ Not sure
4	Was the vehicle's **final assembly in the United States**? *Shown on the window sticker, or we can look it up with the VIN.*	☐ Yes ☐ No ☐ Not sure
5	Was the original loan taken out **after December 31, 2024**? Date of loan: _____	☐ Yes ☐ No ☐ Not sure
6	Is the loan **in your name**, used to buy this vehicle, and **secured by the vehicle** (the lender holds the title/lien)? *Leases do not qualify.*	☐ Yes ☐ No ☐ Not sure
7	Is the lender a bank, credit union, dealer or finance company – **not a relative** or a business you or a relative own?	☐ Yes ☐ No ☐ Not sure
8	When you bought it, did you expect the vehicle to be used **more than half the time for personal use** (by you, your spouse or family)? *Commuting counts as personal use.*	☐ Yes ☐ No ☐ Not sure

2 LOAN DETAILS AND INTEREST PAID

9	Did the loan include a **payoff of a trade-in loan** (negative equity) or items unrelated to the vehicle? If yes, amount: $_____ *That part of the interest does not qualify.*	☐ Yes ☐ No ☐ Not sure
10	Has the loan been **refinanced**? Original loan balance: $_____ New loan amount: $_____ *Interest on cash taken out when refinancing does not qualify.*	☐ Yes ☐ No ☐ Not sure
11	Do you also use this vehicle in **your business or farm**? Business-use percentage: _____%	☐ Yes ☐ No ☐ Not sure
12	**Interest paid in 2026: $_____** *Please bring Form 1098-VLI from your lender (new for 2026; lenders send it when interest is $600 or more) or your year-end loan statement.*	

Your signature. The answers above are true and complete to the best of my/our knowledge.

Borrower signature _____ Date _____ Co-borrower / spouse signature _____ Date _____

PREPARER USE ONLY

VIN verified (NHTSA decoder: vpic.nhtsa.dot.gov/decoder) for GVWR and U.S. final assembly; VIN entered on Schedule 1-A.	☐ Yes ☐ No
Qualifying interest limited to purchase-price debt (excludes trade-in payoff, cash-out refinance, unrelated items); business-use share moved to Schedule C/F.	☐ Yes ☐ No ☐ N/A
$10,000 per-return cap and MAGI phase-out ($200 per $1,000 over $100,000 / $200,000 MFJ) applied; no Minnesota subtraction.	☐ Yes ☐ No

Preparer notes: _____

Preparer signature _____ Date _____