

119TH CONGRESS
1ST SESSION

S. 1653

To amend the Internal Revenue Code of 1986 to allow a deduction for qualified automobile interest.

IN THE SENATE OF THE UNITED STATES

MAY 7, 2025

Mr. MORENO introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow a deduction for qualified automobile interest.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States Auto-
5 mobile Consumer Assistance and Relief Act” or the “USA
6 CAR Act”.

7 **SEC. 2. DEDUCTION FOR QUALIFIED AUTOMOBILE INTER-**
8 **EST.**

9 (a) IN GENERAL.—Section 163(h)(2) of the Internal
10 Revenue Code of 1986 is amended by striking “and” at

1 the end of subparagraph (E), by striking the period at
 2 the end of subparagraph (F) and inserting “, and”, and
 3 by adding at the end the following new subparagraph:

4 “(G) any qualified automobile interest (as
 5 defined in paragraph (5)).”.

6 (b) QUALIFIED AUTOMOBILE INTEREST.—Section
 7 163(h) is amended by adding at the end the following new
 8 paragraph:

9 “(5) QUALIFIED AUTOMOBILE INTEREST.—For
 10 purposes of this subsection—

11 “(A) IN GENERAL.—The term ‘qualified
 12 automobile interest’ means any interest which is
 13 paid or accrued during the taxable year on in-
 14 debtedness which—

15 “(i) is incurred on or after January 1,
 16 2025,

17 “(ii) is incurred in acquiring a quali-
 18 fied automobile, and

19 “(iii) is secured by such automobile.

20 “(B) QUALIFIED AUTOMOBILE.—

21 “(i) IN GENERAL.—The term ‘quali-
 22 fied automobile’ means an automobile
 23 (within the mean of section 2 of the Auto-
 24 mobile Information Disclosure Act (15
 25 U.S.C. 1231)) which is made by a manu-

1 facturer (within the meaning of section 2
2 of such Act) the final assembly of which
3 occurs within the United States.

4 “(ii) FINAL ASSEMBLY.—The term
5 ‘final assembly’ means the process by
6 which a manufacturer produced an auto-
7 mobile at, or through the use of, a plant,
8 factory, or other place from which the
9 automobile is delivered to a dealer with all
10 component parts necessary for the mechan-
11 ical operation of the automobile included
12 with the automobile, whether or not the
13 component parts are permanently installed
14 in or on the automobile.”.

15 (c) DEDUCTION ALLOWED ABOVE-THE-LINE.—Sec-
16 tion 62(a) of the Internal Revenue Code of 1986 is amend-
17 ed by inserting after paragraph (21) the following new
18 paragraph:

19 “(22) In the case of a taxpayer other than a
20 corporation, so much of the deduction allowed under
21 section 163 which is attributable to qualified auto-
22 mobile interest (as defined in section 163(h)(5)).”.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to amounts paid or accrued on in-

- 1 debtedness incurred on or after the date of the enactment
- 2 of this Act.

