Tesla’s latest US price cuts bring the Model 3 below $40,000

Tesla has cut the price of its Model 3 and Model Y vehicles in the US for the second time this month, reducing the starting price of Tesla’s most affordable EV below $40,000 (before incentives). The adjusted pricing has been rolled out shortly before Tesla is expected to release its quarterly earnings report later today.

The Model 3 Standard Range RWD has been reduced from $41,990 to $39,990. That’s not the cheapest price we’ve seen for the EV – Tesla had previously offered the Standard Range model for $35,000 in 2019 prior to its 2021 update. As noted by *Electrek*, the Model 3 is Tesla’s only vehicle to have seen its federal tax credit cut from $7,500 to $3,750 under new guidance from the US Treasury regarding battery sourcing requirements. The price of the Model 3 Performance remains unchanged at the time of writing.

You can save $2,000 on a Model 3 Standard Range and $3,000 on Model Y vehicles

Tesla has also shaved $3,000 off the entire Model Y lineup, cutting the price of a Model Y AWD from $49,990 to $46,990. The Long Range model was reduced from $52,990 to $49,990, and Performance from $56,990 to $53,990.

The EV producer has regularly adjusted its vehicle pricing in recent years, having made several increases across its entire range between 2021 and 2022. The company has repeatedly lowered its prices this year in an attempt to boost sales in the face of a weakening economy and increased competition from rival vehicle makers. Tesla discounted Model Y and Model 3 vehicles in the US in January, and again in February, later

reducing its Model S and Model X pricing in March.

The reduced pricing appears to have worked – the company announced earlier this month that it had delivered over 422,000 vehicles in its first quarter, beating Wall Street estimates of 420,000 units. Tesla's accumulated price cuts have also driven other EV producers like Renault to review its own vehicle pricing in order to remain competitive. That said, analysts have warned that Tesla's increased sales and lower pricing may have negatively affected its overall profit margins, anticipating a 20 percent decline in the company's year-on-year earnings.

https://www.theverge.com/2023/4/19/23689266/tesla-price-cuts-discounted-model-3-y-electric-vehicle-tax-credit