

IN CONGRESS

House Passes Estate Tax Repeal, Fight Moves to Senate
Dealers Urged to Contact their Senators

NADA and AIADA, which have worked tirelessly in support of a permanent repeal of the estate tax, were quick to applaud the 272-162 vote in the House last Wednesday for passage of The Death Tax Repeal Permanency Act of 2005 (H.R.8). The legislation would prevent the estate tax from re-emerging after its scheduled one year elimination, in 2010.

The real fight now moves to the Senate, where previous bills passed by the House have languished and concerns remain for the bill's estimated \$290 billion, 10-year cost, which could further increase the federal deficit. Repeal supporters still appear just short of the 60-vote majority needed to break a promised Democrat filibuster.

But proponents of permanent repeal are optimistic that the Republican majority in the

Senate and growing popular support for repeal will prevail. NADA and AIADA are strongly urging dealers to contact their senators immediately in support of S. 420, The Death Tax Repeal Permanency Act of 2005.

"The toughest part of the

fight is still to come, but we're encouraged not only by the House vote on the estate tax, but also by the success that we've had recently in the Senate in passing dealer-backed initiatives such as bankruptcy legislation and class action

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Congress Passes, President Signs Bankruptcy Reform Bill

As expected, the House last week voted overwhelmingly, 302-126, to pass bankruptcy reform legislation and send it to President Bush, who signed it on April 20th. Passed by the Senate last month on a 74-25 vote, the legislation represents the biggest rewrite of the bankruptcy code in a quarter-century.

"This bill is a high priority for automobile dealers, and NADA appreciates the assistance of dealers nationwide for making their views heard by House and Senate members," said NADA Chairman Jack Kain. Significantly, the bill includes NADA provisions that will help dealers protect their secured credit for a motor vehicle when a customer files for bankruptcy.

The legislation is a victory for executives in the credit card, retail and auto financing industries who have pushed it for nearly a decade. They argue that the changes are necessary to weed out abusers of the system who use Chapter 7 bankruptcy protection to shirk debt they can afford to pay.

The new rules set up an income-based test for measuring a debtor's ability to repay debts, according to the *Associated Press*. Those with insufficient assets or income could still file a Chapter 7 bankruptcy, which, if approved by a judge, erases debts entirely

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reform,” said David Regan, NADA's chief operating officer of Legislative Affairs.

NADA plans to fly a number of influential dealers and state dealer association executives to Washington for face-to-face meetings with key senators whose votes are needed for estate tax reform. “We recognize that the real fight is in the Senate and that’s why NADA is taking the unusual step of flying dealers in to meet with their senators,” said NADA Chairman Jack Kain.

AIADA President Marianne McInerney Wednesday issued the following statement: “America’s 11,000 international nameplate auto dealers applaud House passage of permanent death tax repeal legislation -- a critical first step in protecting dealers and their families from an unpredictable and potentially ruinous tax code, and we look forward to Senate support for full and permanent repeal of the Death Tax in the days ahead.”

Also last week, AIADA board member Jenell Ross of Ross Motor Cars in Dayton, Ohio, who was recently profiled in a half-page “Death Tax” ad that ran in Capitol Hill’s *Roll Call* newspaper, testified before a special hearing of the House Small Business on the detrimental effects of the estate tax on small businesses.

AIADA is also encouraging dealers to write their senators on S. 420. Members can do so by clicking on <http://www.aiada.org/writecongress/step1.asp?id=28>.

NADA’s Kain thanked the many dealers who responded to NADA’s recent “Dealer Alert” and who took the time to call or write Congress on the estate tax. “This is a huge priority for us; so, I’m especially pleased to see that our hard work on estate tax reform is starting to show progress,” said Kain.

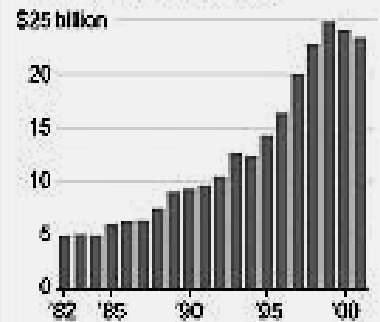
The “fly in” underscores NADA's commitment to gain passage of estate tax reform this year. The last time NADA organized a “fly in” was in support of the successful push for voluntary arbitration legislation.

Erasing estate tax

A 2001 law gradually increased the amount of an estate excluded from taxation, while also gradually decreasing the top tax rate on inherited estates.

YEAR	EXEMPTION	TOP RATE
2001	\$675,000	55%
2002	\$1,000,000	50
2003	\$1,000,000	49
2004	\$1,500,000	48
2005	\$1,500,000	47
2006	\$2,000,000	46
2007	\$2,000,000	45
2008	\$2,000,000	45
2009	\$3,500,000	45
2010	repealed	

Estate tax revenue



SOURCES: Internal Revenue Service; AP/CCH Inc.

Bankruptcy Reform Bill

(Continued from page 1)

after certain assets are forfeited. Those with income above the state's median income who can pay at least \$6,000 over five years – \$100 a month – would be forced into Chapter 13, where a judge would then order a repayment plan. The legislation also would require people in bankruptcy to pay for credit counseling.

Under the current system, a federal bankruptcy judge determines whether individuals must repay some or all of their debt.

The new rules take effect six months from enactment. In the meantime, the 30,000 to 210,000 people the American Bankruptcy Institute estimates will be affected can escape its impact if they file for bankruptcy before then.

Bankruptcy attorneys anticipate a rush to the courthouse.

ICC Funding Bill Clears Way for Final Decision this Summer

With the recent passage of two Intercounty Connector (ICC) funding bills, HB 1352 and SB 255, by the Maryland General Assembly, the way is now clear for a final decision on this long-awaited project by federal agencies this summer. The bills provide bond financing for FY 2006 through FY 2010, among other funding sources authorized in the legislation to fully fund this \$2.4 billion project.

"With a funding package now in place that appears to provide the necessary certainty to win federal approval later this year, we are well on the way to making the ICC a reality, not only in our lifetimes, but before the end of this decade," said Montgomery County Chamber of Commerce President Richard Parsons.

Despite efforts by some legislators to cut bond funding to the point where the project would have been endangered, the compromise bills passed both houses by large, decisive margins (105 - 27) demonstrating the overwhelming, bipartisan support and popular consensus the ICC has won at the state level.

"In a session marked with a great deal of partisan friction, the passage of the ICC funding plan marked a real shining moment of bipartisan cooperation," said Parsons.

MC Chamber Hails Passage of Small Business Reserve Bill

The Montgomery County Chamber of Commerce (MCCC) was quick to hail the passage last week of a landmark Small Business Reserve Bill by the Montgomery County Council. In a 9-0 vote, the Council approved legislation (Bill 23-04) that will, for the first time, set aside 10% of certain county contracts on a competitive basis for local small businesses. The legislation will also require certain procurement opportunities to be posted on a free website to help make local businesses more aware of the contracting opportunities the County offers.

"This is a real boost for small businesses in our community," said MCCC Chairman Charles H. Atwell, who is also president of Innovative Business Interiors in Silver Spring. "Local small businesses will now have a better shot at winning a greater share of Montgomery County's annual \$600 million procurement pipeline. It only makes sense that a small portion of these contracts, which are paid for out of our own tax dollars, get recycled in our local economy to help local small businesses grow and prosper," Atwell said.

Similar legislation is already in place in a number of other local jurisdictions.

IN MEMORIAM

John C. Seidel, Seidel Chevrolet, Landover, MD

WANADA is shocked and saddened to report the sudden and horrific passing of former member and longtime automotive retail professional John C. Seidel. He perished in a fire on April 14, which consumed his Silver Spring apartment.

News reports say he was found in the apartment alongside his wife of 50 years, LaNita. Reports went on to say that he heroically alerted other tenants of the fire and lost his life trying to save his beloved LaNita. He was 75.

The quintessential automotive sales professional, Jack Seidel focused his career at Jack Blank Pontiac in DC where he was general manager. He opened Seidel Chevrolet on Central Avenue in Prince Georges County in the mid 1970s, where he was the owner operator until it closed in the early 1990s. He was one of the first African American dealers in the Washington market and was active in the community and dealer group affairs over his lengthy career.

At the time of his death, he was with Cherner Automotive in Tysons Corner, where he did what he did so well, sold cars.

Funeral services will be held Friday, April 22, Fort Lincoln Cemetery 3401 Bladensburg Road, Brentwood, MD. The viewing will be at 12:30 pm and services will be at 1:30 pm.

Contributions in lieu of flowers can be made to plant trees in Jack's memory on the campus of Archbishop Carroll High School, 4300 Harewood Road, Washington, D.C. 20017, Attention: Vanessa King (Vanessa is Jack's goddaughter).

To Jack's many friends over the years, WANADA extends its sincerest sympathy.

Last Chance to Sign Up for :
WANADA Apprentice Training Program Kickoff Meeting April 27

Solve your tech shortage problem next week at the fifth annual kickoff meeting of WANADA's Apprentice Training Program, Wednesday, April 27, 2005, from 9:30 am to 11 am at Kenwood Country Club in Bethesda. Coffee and danish will be served prior to the meeting.

Now open to dealerships of all brands, the program has been refined and improved over the past four years into one of the most successful auto tech apprentice programs in the country. So don't delay! Register today to find out more about this highly successful program and to sign up to sponsor apprentice trainees. For more information, see the information sheet and registration form enclosed with this WANADA Bulletin or call Barbara Martin at WANADA, (202) 237-7200.

Sign Up Today for the 2005 WANADA Open, Monday, May 9

Hey sports fans and fun lovers, the clock's ticking. If you haven't signed on yet for the annual WANADA Open, Monday, May 9, you're running a high risk of missing out on *the springtime event* for all Washington area dealers!

Held again at the spectacular Lansdowne Resort, the event will feature a golf tournament on championship courses, and dinner entertainment provided by the popular comic hypnotist Flip Orley — followed by a fun evening of fabulous prizes and giveaways!

This just in! ABC sportscaster Tim Brant will bring his expertise and good humor to the WANADA Open as a banquet MC. Tim has been on the Washington scene since his high school and college sports days at St. Johns and the University of Maryland, respectively.

Don't miss this great opportunity to get some fresh air while socializing with friends and colleagues. Register today. A WANADA Open information sheet and registration form is enclosed with this WANADA Bulletin. For more information, call Barbara Martin at (202) 237-7200.



Tim Brant



**Join us on the 19th Hole
for Cocktails and Dinner
following the
WANADA Open
Monday, May 9, 2005
5:15 p.m. - 9:30 p.m.**

Lansdowne Resort, Leesburg, VA

Great Business Networking



Cost \$95 per person

Business Attire

Thought for the Week...

Ladies and gentlemen, the moment you've all been waiting for for 34 years, let's meet your 2005 Washington Nationals!

—Public address legend Charlie Brotman, opening day, April 14, 2005

Enclosures:

- WANADA Open information sheet & registration form
- WANADA Apprentice Training Spring Meeting information sheet and registration form