

Headlines...

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Enclosure – WANADA's dealer employee Flu Shot sign-up form

Processing fee cap in Maryland increases July 1...and so, too, is the likelihood of increased scrutiny of fee disclosure requirements

The good news Maryland dealers received at the conclusion of the 2011 General Assembly last spring that the processing fee cap of \$100 will increase to \$200 on July 1st is grounded in the disclosure requirements that go along with it, cautions MADA which has been holding state law compliance meetings with dealers across the state.

Indeed, Maryland dealers opting to charge vehicle sale customers a processing charge for all the paperwork involved can charge up to \$200 come July 1. But any processing fee charged must be properly disclosed to the customer. Here's how:

- On the buyer's order (in 12 point type) "Dealer Processing Charge of \$____ (not required by law)";
- On a window sticker (10 point type) "Dealer Processing Charge of \$____ not required by law";
- If the advertised price doesn't include the processing fee, then the amount of the fee must be disclosed, too, and *proximate* to the advertised price.

Here again, any processing fee charged by a dealer is optional and negotiable.

Any consumer inquiring about the processing fee must be told by the dealer what it is and what it is not and that is best done in writing by way of a pre-printed paper or brochure.

The processing fee covers the dealer's very real expenses in handling the many and varied papers that need to be completed in connection with the sale and delivery of a motor vehicle. These many and varied papers and tasks should be enumerated for the consumer. What the processing fee isn't is a government fee of any kind, to include the electronic titling fee. Similarly, the

processing fee is not a charge for the application for or extension of credit, as this would be a *finance charge*.

Dealers need to recall, also, that processing fees are subject to state title/tax when they're charged.

With all that goes into the disclosure requirements a dealer must observe when charging processing fees, and because the fee is negotiable, it is important that sales representatives know to involve a manager when processing fee issues from a consumer arise.

For a separate advisory paper on this subject, [click here](#).

New study says 62 mpg fuel-economy rules will lead to massive job losses

A new report from the Ann Arbor, Michigan based Center for Automotive Research (CAR) says the Obama administration's proposed 62 mpg fuel-economy target for 2025 could lead to hundreds of thousands of job losses, boost the price of a family sedan to \$55,000 and deliver only minor savings to consumers.



Ironically, the CAR think tank has supplied much of the data that supports government claims that the bailouts of General Motors and Chrysler saved 1.2 million jobs, billions in tax revenues and billions more in welfare and unemployment checks that never had to be paid out.

"These mandates are so tough, why would (the White House) be interested in destroying an industry they just saved?" asked Sean McAlinden, CAR chief economist and vice president of research.

Automakers must meet a U.S. fleet average fuel economy of 35.5 mpg by 2016.

Last year, the Obama administration proposed new CAFE rules beginning in 2017 that would require average increases of 3% to 6% per year, achieving 47 mpg by 2025 at the low end and 62 mpg at the high end.

If gasoline prices are \$6.00 per gallon in 2025, a case can be made for continued 3% annual improvements in fuel economy beginning in 2017, says Jay Baron, president and director of manufacturing systems at CAR and a co-author of the study. But more dramatic increases would prove catastrophic to the U.S. auto industry, he said.

"To meet the 2025 CAFE standards, automakers will have to completely and utterly redesign the body and chassis of all their products as well as the manufacturing plants and supply chain," Baron said.

IRS is looking at tax treatment of factory funds for required dealership upgrades

The Internal Revenue Service is looking at how funds paid to dealers who commit to image upgrades may be capitalized, fully or in part, as reimbursement for mandatory construction costs.



According to NADA, the issue of the appropriate tax treatment of factory image upgrade payments is approached differently by dealer accounting groups around the country, which has brought about the IRS scrutiny. To better define the relevant issues, NADA will conduct a workshop at the next NADA Convention (Feb., 2012) that will focus on the issue. Terri Harris, an IRS motor vehicle technical advisor, has informed NADA she intends to issue informal guidance on the topic in advance of the Convention, and she welcomes dealer input. She can be contacted at terri.s.harris@irs.gov.

GM and other carmakers have been prodding dealers to renovate their buildings as they try to change their image with car shoppers. Cadillac, in particular, has asked more than 200 of its dealers nationwide to spend thousands each to spruce up their showrooms in an effort to better compete with Lexus, Mercedes and other luxury brands.

The makeover includes oak walls, limestone exterior tiles, modern lighting and leather chairs. The upgrades are expected to be finished within the next two years. GM will help pay for the improvements in a program tied to how many cars a dealer orders.

WANADA's popular dealer employee Flu Shot program begins in September

WANADA will be offering its annual flu shot program again this year, only earlier than in years past: This year it will commence in September.

The 2011 vaccine will, again, include the H1N1 strain as well as two other influenza strains (an A and a B strain). The flu shot is for ADULTS ONLY and the WANADA dealer employee price is the same as last year, \$23 per shot.

If you are interested in having your dealership participate in WANADA's 2011 Flu Shot program, download the form included with the Bulletin, complete it and fax it to WANADA at 202-237-7779 (F).

Sheehy Auto Stores look to raise \$100,000 for cancer research

Sheehy Auto Stores has launched its annual drive to raise \$100,000 to benefit the Susan G. Komen Foundation and motivate employees of the 18 dealerships located throughout Virginia and Maryland to participate in the Race for the Cure in Washington, D.C.

Known as The Sheehy 4000 campaign, the goal is to sell 4000 automobiles in 50 days and donate a portion of all sales to the Susan G. Komen Foundation. To encourage the community to get involved, Sheehy also gives away a \$25,000 car to a visitor of any store who enters to win and sends a "*Cards of Hope*" program which lets them create a personalized pink-themed message to a loved one or survivor.



From the left, Kate Lynes, Vince Sheehy, Sheehy Auto Stores and Shawn Lynes

Dennis Watley, sales consultant for the Sheehy dealership in Glen Burnie, went through a difficult time when his sister-in-law, now a breast cancer survivor, was diagnosed.

"My sister-in-law fought hard and never gave up hope," said Watley. "I am proud to work for Sheehy as the organization as a whole truly cares and gives back to the community in many ways. This campaign reflects the importance of coming together to make a difference."

On Saturday, June 4, Sheehy employees and friends ran in the Susan G. Komen Foundation's Global Race for the Cure in Washington, D.C., a fundraising event that has become an annual Sheehy Auto Stores tradition.

Dent Wizard is new Kindred-Line member

The WANADA Board of Directors this week has voted to accept Dent Wizard of Peabody, MA as a Kindred-Line member of the association. Tom Duffy, business development manager is the usual representative for Dent Wizard.

The association heartily welcomes Dent Wizard to WANADA's membership and encourages its active involvement in dealer community affairs!

Staying ahead...

Like fine wine, some people age and improve better over time than others.

--Pope John XXIII



**DEALER EMPLOYEE
ON SITE FLU SHOT PROGRAM
FALL, 2011**

Our dealership is interested in participating in this year's On Site Flu Shot Program. We understand that shots will be administered on site by Norvar Health Services medical professionals to ADULTS ONLY beginning September 1, 2011, at a cost of \$23.00/shot. Norvar Health Services will order enough vaccine for my organization if we commit to this program by July 15, 2011. After this date, price/availability is subject to change. We understand that a minimum of twenty (20) participants/location is required to schedule an on site flu shot program. We also understand that children cannot be administered the vaccine in this program.

DEALER ORGANIZATION_____

ADDRESS WHERE PROGRAM TO BE HELD

POINT OF CONTACT NAME_____

PHONE#_____

FAX#_____

E-MAIL_____

ESTIMATED NUMBER OF ADULT FLU SHOT PARTICIPANTS_____

BEST DAY OF WEEK FOR PROGRAM _____

ALTERNATIVE DAY OF WEEK _____

BEST TIME OF DAY FOR PROGRAM _____

ALTERNATIVE TIME OF DAY _____

WE HAVE NO PREFERENCE FOR DATE(S) OR TIME(S) ☐

OTHER COMMENTS

SUBMITTED BY_____ **TITLE** _____

FAX BACK TO - Flu Shot Fax Line (202) 237-7779

AS YOU ARE AWARE, THE CENTER FOR DISEASE CONTROL (CDC) AS WELL AS SLOW AND/OR DISRUPTED MANUFACTURING PROCESSES HAVE INTERRUPTED THE VACCINE SUPPLY SEVERAL TIMES IN RECENT YEARS. WANADA CANNOT BE HELD RESPONSIBLE FOR INTERRUPTION IN THE SCHEDULING SHOULD THIS OCCUR AGAIN THIS YEAR. SHOULD RESCHEDULING BECOME NECESSARY FOR ANY REASON, THE RESCHEDULING IS DONE BY MUTUAL AGREEMENT BETWEEN YOUR DEALERSHIP AND NORVAR HEALTH SERVICES. WANADA DOES NOT SCHEDULE THE DATES FOR THE SHOT PROGRAM NOR IS WANADA RESPONSIBLE FOR ASSURING SUPPLIES OF THE VACCINE.