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How would local area dealers be affected by lack of a budget deal?



Small businesses may not get as good a deal in the next round of Capitol Hill negotiations. (photo by Rob Shenk)

Many observers see Speaker John Boehner's pulling of Plan B from consideration as a low point for the Republican/small business cause. The Small Business Legislative Council says it is the best deal small business is likely to get, and now we are likely to return to discussing higher taxes for those earning more than \$250,000 instead of the \$1 million that was in Plan B.

If there is no deal, says the SBLC, the middle class will suffer. The 2 percent payroll tax holiday will end, most earners will see more tax withheld from their paycheck, and many more middle class taxpayers will owe the Alternative Minimum Tax.

Some economists have said going over the fiscal cliff for a short time wouldn't cause much problem for the economy, and that many of the tax cuts would be restored. But as the SBLC points out, the restored tax cuts may not be any better than what's in Plan B, and that didn't even get to a House vote. Most important, the situation is very different for small businesses in the Washington metro area. While the many government workers here are no doubt glad to have December 24 as a paid holiday, they may well pull back on spending in the face of possible sequestration (across the board cuts to government agencies). President Obama has said that with no deal to avoid the

fiscal cliff, furloughs are a possibility for federal workers, though not an immediate one.

It may not be the kind of environment that would inspire bureaucrats to rush out and buy a new car. We will, as always, keep you informed on what continuing developments in the Washington tax policy debate might mean for local area dealers.

WANADA to offer customized reports to help members prepare for health care law

To help dealers comply with the nation's new health care law, WANADA now offers an important no-cost service to its members: a customized report detailing the likely financial impact the law will have on a particular dealer employer.

Each report will summarize the financial impact for three scenarios: (1) the dealer drops his or her health insurance plan altogether and pays a fine to the federal government; (2) the dealer fully complies with the law's requirements and so achieves "safe harbor," which prevents the dealer from being fined; or (3) the dealer offers a qualified health insurance plan but some employees are *not* offered "affordable" health insurance, so the dealer has to pay a penalty for *some* employees.



Customized reports can help WANADA members ensure they are complying with new health care law.

The Patient Protection and Affordability Act requires that any business with more than 50 full-time employees enroll in an employer-sponsored health plan to which employees' monthly contribution is less than 9.5 percent of their monthly compensation. Any employee who is not offered "affordable" coverage under this definition may choose instead to join a state-run health care exchange. The employer must then pay a fine of \$2,000 to \$3,000 for each employee who seeks such coverage.

The report will also cover aspects of the PPACA that a dealer needs to be aware of, for instance that penalties paid to the government are not considered a business expense, but the cost of the health plan is.

For more information, call John O'Donnell at the WANADA office at 202.237.7200.

Strong year-end sales seen nationally – J.D. Power

Nationally, December sales remain robust, with auto shoppers apparently unfazed by the economic uncertainty generated by the fiscal cliff negotiations, according to a monthly sales forecast by J.D. Power and Associates and LMC Automotive.

December new-vehicle retail sales – a reliable measure of consumer demand, as dealers know – are expected to come in at a seasonally adjusted annualized rate (SAAR) of 12.2 million. Luxury

sales are forecast at 16 percent of all retail vehicles sold this month, up from 14.8 percent a year ago.

“Luxury sales always do well this time of the year, but December is turning out to be a great month,” said John Humphrey, senior vice president of global automotive operations at J.D. Power. New vehicle introductions and redesigns plus incentives have driven the recovery in the luxury market.

On the basis of strong sales in November and December, LMC Automotive is upping its 2012 sales forecast to 14.5 million from 14.4 million, a full 11.7 million of which would be retail.

2013 could be a 16 million sales year, says CNW

CNW Research president Art Spinella is feeling upbeat about 2013. “If all things fall into place, it is extremely possible 2013 new-car sales would hit 16 million units, thanks in large part to those who postponed replacing their ‘unencumbered’ vehicle. (An unencumbered vehicle is one that the owner has paid off.)

Two trends contribute to the large pool of potential buyers. Next year 9.6 million vehicles will come off lease. And nearly 48 percent of the owners of unencumbered vehicles say they are inclined to replace them in the next year. That’s a total of 4.37 million buyers.

If consumer confidence is strong – and the doings in Washington will certainly affect that – the large number of new and more fuel-efficient vehicles coming in 2013 could be further inducement to buy.

Revised procedures on walk-ins at Md. MVA now in place

The Maryland Motor Vehicle Administration has revised some procedures on branch office walk-in. One change is with the resale title. A dealer may drop off the transaction for processing, but the resale title will be mailed to the dealer.

In general, transactions that can be processed on ERT, the Web or kiosk *cannot* be processed as walk-ins. An exception has been added: Duplicate titles may now be walked in, including title service pickup with special power of attorney and VR-003 pickup by dealers.

Express service can now be used for urgent customer needs with management approval, such as, military deployment, refinancing or shipment out of the country.

New Kindred-Line Members join WANADA

WANADA would like to welcome these new Kindred-Line Members and calls upon them to be active in Washington area dealer community affairs.

1. BMO Harris Bank – 15308 Baileys Lane, Silver Spring, MD 20908. Jeff Carmines, Director, 240.383.5790. Financing for auto dealers

2. Capital One Auto Finance – 8020 Towers Crescent, Vienna, VA 22182. Tim Mullins, Regional Relationship Manager, 571.419.5672. Construction and renovation for auto dealers
3. Liqueo, Inc. – 8618 Westwood Center Drive, Suite 40, Vienna, VA 22182. Allan Tone, CEO, 888.206.6637. Developer of cloud-based platform to access the DMS and automatically build VIN-specific microsites
4. National Cinema – 5204 Devon Port Court, Glenn Dale, MD 20769. Laurence Christian, 301.448.3551. Cinema advertising and promotions
5. PCC Lubricants, 801 N. Kresson Strett, Baltimore, MD 21235. Gene Nance, Account Manager, 717.215.7253. Vehicle lubricant supplier
6. RBC Wealth Management, 5425 Wisconsin Ave., Suite 301, Chevy Chase, MD 20815. Paul Keats, Senior Vice President, 301.907.2720. Finance advisor and wealth management

WRAP honors 11 police for drunken driving prevention



Rep. Gerald Connolly (D-Va) speaks at the WRAP awards while WANADA's John O'Donnell, WRAP's chairman (seated, face shown), looks on.

Eleven local police officers received WRAP's 15th annual Law Enforcement Awards of Excellence for Impaired Driving Prevention at a ceremony this month. WANADA has long been involved with the Washington Regional Alcohol Program, and WANADA Executive Vice President John O'Donnell is chairman of WRAP.

The awards were given in memory of the Metropolitan Police Department (MPD)'s Motor Patrol Officer Anthony W. Simms. Officer Simms died

as result of injuries received while on duty, after being hit by a drunken driver during Memorial Day weekend 1996. Officer Simms's widow, Lieutenant Pamela Simms, also formerly with the MPD, gave the award with the day's master of ceremonies, News4 anchor Aaron Gilchrist. The event's speakers included U.S. Representative Gerald Connolly (D-Va.), Virginia Department of Alcoholic Beverage Control Commissioner Bryan Rhode and Loudoun County Sheriff Mike Chapman, among others.

The WANADA Staff Wishes All Members and Bulletin Readers The Joy, Peace and Renewal This Wondrous Season Can Bring!



From left to right: John O'Donnell, Jackie Murphy, Ralph Frisbee, Isabel Garcia, Trish Frisbee, Martha Kowalski, Kristina Henry, Huda Farooq, Katy Orme, Andrea Holmes, Ana Campos, Kendra Northrup, Billy Painter and Gerry Murphy. Not pictured: Archie Avedisian, Ed Mullaney and Charlie Spiridopoulos.

Thought for the Season...

Stars keep the watch when night is dim;
One more light, the bowl shall brim;
Shining beyond the frosty weather;
Bright as sun and moon together;
People look East and sing today;
Love, the star, is on the way!

--Eleanor Farjeon, 1881-1965

Fourth verse of the French carol, People Look East

[Click here to link to hear the carol](#)