

THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Bulletin # 4-21

February 17, 2021

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Washington, D.C. Auto Show Will Not Be Held in 2021

WANADA, which produces the annual [Washington, D.C. Auto Show](#), announced this morning that the show will not be held as planned in 2021. In a press release issued earlier this morning, Auto Show President and CEO John O'Donnell said that, in spite of tremendous efforts on the part of show producers and the District government, too much uncertainty remains about when it will be safe to host large indoor events in the city again.

“We truly wish that cancellation wasn't necessary,” O'Donnell said in the press release, “but we know that this decision is in the best interests of all those who make The Washington, D.C. Auto Show the great event that it is.”



Show organizers made this decision in the best interests of the region's health and safety, and also to best preserve their ability to host the next show during the usual wintertime window. The 2022 show will be open to the public for 10 consecutive days, from January 21-30, 2022. Current plans call for the show to include the usual slate of pre-show events, including the *MobilityTalks International* public policy conference, Industry Media Day, the GSA FedFleet expo, and the Society of Automotive Engineers' Washington conference.

Auto show organizers are also working with a local broadcast partner on an auto show television special, which will air in May 2021. WANADA will publish additional details on that program in the Bulletin once details have been finalized in the coming weeks.

In the meantime, we at WANADA hope that everyone stays safe during this difficult time, and that, through the widespread administration of vaccines, we can collectively return to normalcy in the coming months.

Jamie Darvish Honored as TIME Dealer of the Year Nominee



Jamie Darvish, the Chief Operating Officer of DARCARS and the chairman of The Washington, D.C. Auto Show, was officially honored last week as one of the 49 [TIME Dealers of the Year](#) nominees. Darvish received his honor at a virtual awards ceremony that was held as part of the all-virtual 2021 NADA Show.

The TIME Dealer of the Year Award ceremony [honors franchised new car dealers](#) who have a strong track record of customer service at their dealerships and robust engagement in their local communities. DARCARS is one of the region's largest dealership chains, and have long supported a range of charitable causes throughout the Washington area.

For example, Darvish received deserved attention in 2019 for paying off all outstanding student lunch debt in

both the [Prince George's](#) and Montgomery county public school systems – two of the largest school districts in Maryland.

Darvish has also been a longtime supporter of WANADA's [Automobile Dealer Education Institute](#), and currently serves on the program's Board of Directors. He has also served on Montgomery County's Automotive Trades Foundation board, which partners with ADEI to help prepare students for careers as auto repair and service technicians.

Darvish and DARCARS also support a number of other worthy causes in the region, including, but not limited to: Boys & Girls Clubs of Greater Washington; Wounded Warrior Project; Martha's Table; Capital Pride Alliance; American Breast Cancer Foundation; and the Parkinson Foundation of the National Capital Area.

WANADA congratulates Jamie Darvish and the other 48 nominees for their well-deserved honor. To view a full list of this year's nominees from across the country, [please click here](#).

WANADA Chairman Kevin Reilly Writes Op-Ed in Support of Va. EV Legislation

WANADA Chairman Kevin Reilly, who owns Alexandria Hyundai and Genesis of Alexandria, joined Consumer Reports' vice president of advocacy David Friedman to publish [an op-ed in The Washington Post](#) in support of legislation in Virginia that would expand consumer access to electric vehicles across the commonwealth.

As WANADA [reported earlier this month](#), the Virginia Senate is set to consider multiple House-passed bills that would expand the inventory of zero-emission and low-emission electric vehicles that dealers receive, while implementing tax credits and incentives to spur their purchase. Currently, Maryland dealers receive more EV inventory than Virginia dealers, despite having roughly 2.5 million fewer residents.

To illustrate this point, in Reilly and Friedman's op-ed, they recounted an experience that reflects the reality for many Virginia dealers – customers are interested in buying EVs, but often have to travel to Virginia to do so.

“David Friedman visited Kevin Reilly's Hyundai dealership in Alexandria looking to test drive a new electric vehicle — a mainstream car already on the market,” the authors recounted in their op-ed. “Reilly was able to help Friedman find the vehicle he was looking for but had to connect him with an auto dealership in Maryland to make it happen. Though Friedman ultimately got the car he wanted, Reilly — and Virginia's economy — missed out. And this trend will only worsen unless Virginia lawmakers take action.”

As Reilly and Friedman noted in their op-ed, roughly one-third of plug-in EVs registered in Virginia were purchased at a dealership outside the commonwealth. [HB 1965](#), introduced by Del. Lamont Bagby (D-Richmond), seeks to ameliorate this problem by requiring, as Maryland and 10 other states do, that automakers guarantee Virginia dealers with a minimum amount of EVs based on overall annual sales. Reilly and Friedman call this bill, which passed the House and will be considered by the Senate this week, to be a “win for car buyers, auto dealerships and Virginia's economy.”

Del. Bagby's bill, along with tax credits legislation outlined by [HB 1979](#), and [HB 2282](#), which would bring a wide range of stakeholders to the table to outline future transportation electrification matters, are set to be considered by the Senate in the coming week. WANADA joins our partners at VADA to express support for these bills, and the association also echoes Kevin Reilly's call for increased collaboration from Congress and the White House on federal tax incentives and electric-charging infrastructure.

Important D.C. Vehicle Excise Tax Changes Now in Effect

As of February 1, the [vehicle excise tax structure](#) in the District of Columbia has changed somewhat, in order to comply with the [CleanEnergy DC Omnibus Amendment Act of 2018](#), which took effect at the beginning of the month.

Under the new guidelines, only fully electric vehicles are exempt from the excise tax as applied to new-car purchases, and vehicles are taxed on gradual scale that incorporates both unladen weight and city miles-per-gallon. For the first time, vehicles with a city mpg of 40 mph are covered by an excise tax rate between 1 and 3 percent, depending on the weight of the vehicle.

[Please click here](#) to view a full list of other types of vehicle sales and transfers that are exempt from excise tax levies. Also, please note that the city has produced a helpful [excise tax calculator](#), which helps dealers determine the excise tax rates of specific vehicles, by providing the vehicle's VIN. The city's excise tax rates are “applied to the fair market value (as defined by the current National Automobile Dealers Association (NADA) Business Guide for the Eastern Region) of the vehicle at the time of application,” terms that are reflected in the tax calculator.

In addition, the DC DMV now allows eligible D.C. customers to claim their D.C. Earned Income Tax Credit when titling their vehicles in the District. For District residents wishing to claim the EITC in this process, “documentation from the Office of Tax and Revenue will be required prior to vehicle titling.” The responsibility is on the vehicle buyer to provide this information.

Maryland Assembly Overrides Veto and Approves Digital Ad Tax

As part of [a package of veto overrides](#) that will implement much of the [Kirwan education funding plan](#) that Gov. Larry Hogan [vetoed last year](#), the Maryland General Assembly approved a first-in-the-nation digital advertising tax that proponents say will raise up to \$250 million per year for schools.

Proponents of the legislation, which was implemented over Hogan's veto with only Democratic votes in both the House and Senate, say that the sales tax will only be implemented on businesses with "global annual gross revenue of at least \$100 million." However, opponents, including Gov. Hogan and a group called Marylanders for Tax Fairness, which launched an advertising blitz urging that the veto be upheld, claim that Facebook and Google will pass on the costs to advertisers, harming small businesses that are already struggling.

Proponents, including Senate President Bill Ferguson (D-Baltimore), said they plan to introduce companion legislation that would bar tech companies from passing the tax on to consumers. Former UM chancellor William "Brit" Kirwan, for whom the Kirwan Commission is named, said the funding from this tax, and additional levies on electronic cigarettes and tobacco, will ensure that "Maryland is now on track to develop a school system that will be the envy of the nation and as good as any in the world."

That said, the fight over the digital ad tax is likely far from over. Doug Mayer, a spokesperson for Marylanders for Tax Fairness, [said in a statement](#) that the law will likely be challenged in court once it takes effect next month.

"This tax increase was historically shortsighted, foolish, and harmful to countless small businesses and employees, and Marylanders will remember it that way," Mayer wrote. "We will continue fighting this regressive tax wherever possible, including in a court of law."

That pledge was echoed by Gov. Hogan's [video statement](#) about the overrides, who said that his first victory in 2014 was a statement of opposition to the tax increases approved during Gov. Martin O'Malley's tenure. House Minority Leader Nic Kipke (R-Pasadena) also predicted that the state will likely have to spend millions of dollars to defend the digital ad tax in court.

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