

# THE WANADA BULLETIN

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

WANADA Bulletin # 19-21

September 16, 2021

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## Sean Spicer to Speak at WANADA Annual Luncheon on Nov 4

WANADA's 2021 Annual Meeting & Luncheon has been scheduled for Thursday, November 4 at the Ritz-Carlton Tysons Corner in McLean, VA. The luncheon will begin at 12:00 noon, preceded by a networking reception for registered attendees starting at 11:30 am.



This year's guest speaker at the luncheon will be Sean Spicer. Spicer's political career began long before the former White House Press Secretary made his mark as one of the most recognized staffers in the Trump administration. Sean built a decades-long career in Republican politics, witnessing and shaping the inner workings of Washington, DC, from every vantage point – as a House of Representatives communicator, heading up incumbent retention at the National Republican Congressional Committee, in George W. Bush's White House as Assistant U.S. Trade Representative, as the Chief Strategist and Director of Communications at the Republican National Committee, top advisor to presidential campaigns, and of course, White House Press Secretary.

Sean made his way up through the ranks and has experience at every level in Washington. Few are as well-equipped as Sean to pull back the curtain and dissect what's really happening in the nation's capital. Sean is the host of "Spicer & Co." on Newsmax at 6p weekdays.

Ticket information and a link to register will be sent to all WANADA members in the coming weeks.

Any WANADA kindred-line members who are interested in sponsoring the 2021 Annual Luncheon should contact Bob Storin at 301-335-8289 or [RS@wanada.org](mailto:RS@wanada.org).

## Vaccination Mandate: What We Know Today

Last week, President Joe Biden announced plans to require tens of millions more American workers to get vaccinated against the coronavirus. Biden has instructed the Department of Labor to draft a rule mandating that all businesses with 100 or more workers require their employees to either get vaccinated or face weekly testing.

The new rule will be enforced by the Department of Labor's Occupational Safety and Health Administration (OSHA), which will issue an Emergency Temporary Standard (ETS) to implement this requirement. As of today, it is unclear if and when the requirements will take effect. OSHA is expected to issue the rule "in the coming weeks," according to the White House, and implementation timelines in private sector businesses have ranged from weeks to months. The exact timeframe will depend on the final rulemaking process and WANADA will keep its membership apprised on this forum as well as [our COVID-19 info page](#) as details emerge.

It has been observed by WANADA's counsel that OSHA has never implemented a mandate of this magnitude, so there are serious questions as to whether or not such a mandate can withstand the legal challenges that are sure to come. At this time no lawsuits have been filed since the rule itself is yet to be written. As stated above, WANADA will keep its membership apprised as developments unfold.

## Virginia Mask Requirement Update

In addition to this presidential announcement, per guidance from the Virginia Department of Labor & Industry (DOLI), employers are now required to have all their employees wear masks if the business is located in an area with "substantial or high transmission" which now captures most of Virginia.

In order for an employer to comply with VA DOLI Section 10.E of the "Final Permanent Standard for Infectious Disease Prevention of the SARS-CoV-2 Virus That Causes COVID-19", it has to demonstrate that it is actually complying with language in CDC publications that could be considered both mandatory and non-mandatory. In other words, an employer would have to comply with a CDC recommended practice even if the CDC publication doesn't require it.

The bottom line for area dealerships in Northern Virginia is that all should require employees to wear masks and recommend customers do the same.

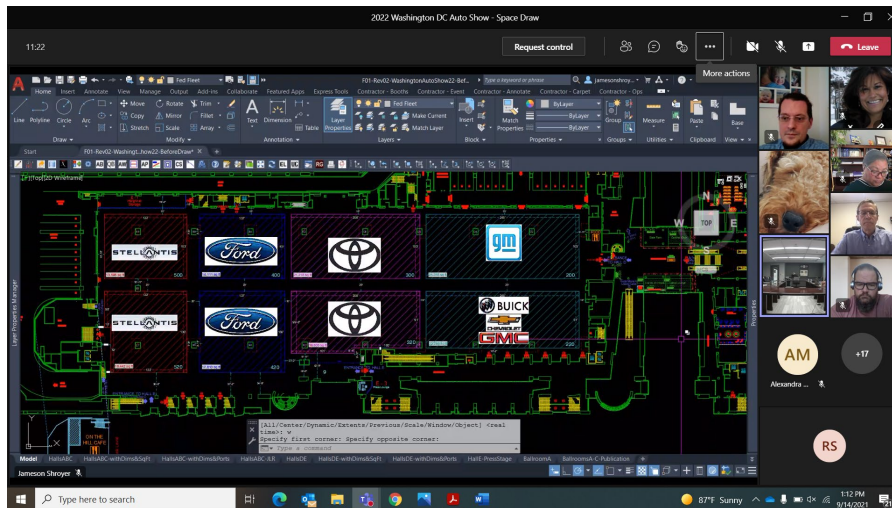
The CDC guidelines in question can be seen in full [here](#).

You can determine your jurisdiction's "transmission rate" by using the "COVID-19 County Check" feature [here](#).

## Annual Space Draw for DC Auto Show Held Sept. 14



Planning for the 2022 [Washington, D.C. Auto Show](https://www.washingtonautoshow.com/) kicked into overdrive earlier this week, as representatives from more than a dozen automakers gathered online for the show's virtual space draw.



Participating automakers in the Microsoft Teams virtual meeting selected their space for the 2022 DC Auto Show, while members of the auto show staff updated participants on the show's initiatives for the January 2022 show, including safety protocols put in place by the convention center, plans for Public Policy

Day, housing and registration procedures, sponsorship opportunities, and consumer marketing plans.

The 2022 Washington, DC Auto Show will be open to the public every day from Friday, January 21 through Sunday, January 30. Public Policy Day and the Sneak Peek Preview Reception will take place on Thursday, January 20 and the WANADA Member Reception is scheduled to take place Thursday evening, January 27. For additional information, please visit [www.washingtonautoshow.com](https://www.washingtonautoshow.com).

## Dealers Attend Virginia FREE Event

On September 1, several WANADA dealers attended a "Leadership Luncheon" sponsored by the Virginia Foundation for Research and Economic Education (FREE). Virginia FREE is a non-partisan organization committed to providing objective political information to the business community in the Commonwealth. Speakers at the luncheon included gubernatorial

candidates Terry McAuliffe and Glenn Youngkin, as well as a variety of other notable political candidates. The luncheon provided a great opportunity for the dealer community to hear from and engage directly with candidates from both sides of the aisle in this year's important political contests.



Pictured (from left): WANADA Chairman Kevin Reilly, Alexandria Hyundai; Attorney General Candidate Jason Miyares; Geoff Pohanka, Pohanka Auto Group; Chris Lindsay, Lindsay Auto Group; WANADA President John O'Donnell

## From NADA: Contact Your Local Elected Officials About Potential Tax Increases and LIFO Recapture

Congress is about to consider one of the largest tax and spending bills in history. The House and Senate have passed the Democratic-only budget resolution that provides a broad framework for a \$3.5 trillion reconciliation tax and spending bill. A “reconciliation” bill is not subject to the filibuster and can be passed by simple majorities.

The Biden Administration has proposed major tax increases that are likely to dampen vehicle sales and hurt small-business, family dealerships. These proposals include increasing individual and pass-through business rates, from 37% to as high as 43.4%. Another proposal would raise the capital gains rates from 23.8% to 43.4% for high earners, which could almost double the rate for owners of pass-throughs who sell their businesses.

The Administration has also proposed eliminating stepped-up basis on inherited assets for gains of more than \$1 million (\$2 million for married couples), which would needlessly strip working capital from dealerships that are often second and third generation businesses.



Additionally, NADA has [petitioned](#) the Treasury Department to exercise its authority to allow temporary LIFO relief for dealerships because government actions during the pandemic triggered a “major foreign trade interruption” that makes inventory replacement extremely difficult. With historically low inventories and the chip shortage caused by the pandemic, many franchised dealers who use the Last-In, First-Out (LIFO) accounting method may face significant unexpected tax liability due to LIFO recapture and circumstances beyond the dealers’ control.

While the Treasury Department has discretion to grant this relief and allow taxpayers to make an election to replace their new-vehicle inventories over a three-year period, it has been reluctant to grant the petition. NADA met with the Treasury officials last week. The next step is to contact Democratic lawmakers, explaining the urgency of the inventory and LIFO recapture problem, and urging them to reach out to the Treasury Department to grant NADA’s petition. For more information see the [LIFO recapture issue brief](#).

Elected officials don’t always understand the contribution dealerships make in federal taxes and how aggressive tax hikes hurt our businesses, employees and communities. This is a key time to contact and meet with lawmakers, especially Congressional Democrats who are writing the Democratic-only tax reconciliation legislation. Democratic members of the [tax-writing committees](#) will have a major role.

NADA will provide more details with targeted calls to action as specific plans emerge. For more information on ways to get involved, such as hosting a congressional dealership visit or meeting in your lawmaker’s district office, visit [NADA’s grassroots website](#).

The power of the dealers' voice is needed now as important decisions are being made that will shape the tax landscape for our business for years to come.

## O'Donnell Speaks at School Opening

On August 30, WANADA CEO John O'Donnell was invited to speak to a gathering of parents, students, teachers, Montgomery County Public Schools officials and members of the media at a press conference celebrating the opening of Seneca Valley High School in Germantown, MD. Seneca Valley, the largest high school in Maryland, boasts over 450,000 square feet and will instruct over 2,550 students. In addition to traditional educational programs, the facility will also house many Career Technology Education programs, including a robust automotive technology offering. MCPS is the primary feeder for WANADA’s ADEI Technician Training Program in the county, which currently has over 60 technician apprentices working at WANADA member dealerships while attending classes at Montgomery College one day per week. “WANADA fully supports additional efforts by the county to expand interest in and capacity for technical education,” Mr. O'Donnell remarked. “Automotive technology careers are in high demand and can be quite lucrative. Facilities like these at Seneca Valley will encourage more young people to give those careers serious consideration.”

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