**WANADA Bulletin # 19-22** 

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#### **Geoff Pohanka Formally Elected NADA Chairman**

The next chairman of the National Automobile Dealers Association does business only a long test drive away from the organization's headquarters. On Tuesday, the 65-member board of directors of elected Geoffrey Pohanka as its 2023 chairman.

Pohanka, who currently serves as NADA vice chairman, will succeed Mike Alford, a North Carolina dealer. Pohanka is a thirdgeneration dealer who serves as chairman of the Pohanka Automotive Group in Capitol Heights, Md. A long time WANADA Board member,



New NADA Chairman Geoff Pohanka (right) with Vice Chairman Gary Gilchrist (left).

including a term as Chairman, we heartily congratulate Geoff for this momentous achievement.

"As someone who grew up in the car business and with my family's involvement with NADA for generations, I am honored to take the reins as the next NADA chairman," Pohanka said in a news release. "The auto industry is a rewarding and exciting business, and I'm fortunate to be a part of it. NADA has an amazing board and an amazing staff. Together, we can create a stronger environment for the industry, to help create a vibrant economy and stronger communities."

Gary Gilchrist, who represents new-car dealers in Washington state and currently serves as chairman of NADA's Dealership Operation Committee, was elected NADA vice chairman for 2023.

"I am very honored to be trusted with the responsibility to do things that matter for dealers," said Gilchrist, president of Gilchrist Chevrolet Buick GMC, in Tacoma, Wash. "The auto industry has always changed with the times and we can do it again."

William Willis Jr., president of Willis Automotive Group and representing Delaware dealers on the NADA board, was elected as secretary. Kirt Frye, president of Sunnyside Automotive Group in Middleburg Heights, Ohio, was elected as treasurer.

The election took place at NADA's recent board meeting in Dallas and the new terms begin at NADA Show 2023 in Dallas in January.

# The Washington, DC Auto Show Launches New Website



The Washington, D.C. Auto Show heads back to the Walter E. Washington Convention Center Friday, January 20 through Sunday, January 29, 2023. Remaining committed to its more than 80 year show history of adapting with the times, the show launched a brand new website last month to highlight the growing features planned for 2023.

The streamlined, modern design offers easy navigation, a user-friendly interface, and attractive visual elements that speaks volumes to the advancements show attendees will enjoy at next year's event.

"We aimed to provide our guests with a heightened experience both virtually and in-person at the show", said CEO and President, John O'Donnell. "Our show programming now seamlessly translates to our website and provides a customized show experience. Our new website not only caters to show guests, but our exhibitors as well," O'Donnell said. "Additionally, we really want

our dealers to come out on a weekend to see the scale of the crowds our show attracts. We are truly the best source for low-funnel leads for the entire year."

As the region's largest indoor event and one of the top auto shows in the United States, auto manufacturers from around the world will fill the 750,000 square foot center with hundreds of new vehicles. New features such as the Get Outdoors Pavilion, On The Go Hall, and Commercial Truck Zone add to the customized experience all guests can enjoy no matter their lifestyle or choice of mobility. Other notable displays including the EV Pavilion showcasing the growing electric mobility market, indoor and outdoor ride & drive experiences, luxury and exotic displays, Subaru Loves Pets adoption event, and Art-Of-Motion Visual & Custom Auto Exhibition will grace the show floor to provide all-day fun for guests of all ages.

As always, the 10-day consumer show is preceded by the Public Policy Show day on January 19, 2023. Here government officials and industry representatives come together to address the current state of the country's essential automotive sector and its future initiatives. These events, announcements, and presentations provide the perfect platform to understand and adapt with the direction of the industry and the legislation that is driving it. Registration for this industry-focused event is now open. All media, government officials, and industry professionals can RSVP here.

Tickets for the 2023 Washington, D.C. Auto Show will go on sale for all consumers in November. To check out the new website and find more information on current show programming, visit <a href="www.washingtonautoshow.com">www.washingtonautoshow.com</a>.

# MD Gubernatorial Candidate Wes Moore Visits Fitzgerald Auto Malls

On Friday, October 7, 2022, Maryland gubernatorial candidate and presumptive winner Wes Moore visited Fitzgerald Auto Malls' Hyundai dealership in Rockville, MD. In addition to addressing the crowd, Moore met with Fitzgerald Auto Malls President Rob Smith and WANADA President & CEO John O'Donnell.

"It's great to have a nominee that values open dialogue with the entire range of his constituency," said O'Donnell. "We're confident that a Wes



(from left): John O'Donnell, WANADA' Wes Moore, candidate for governor; Rob Smith, Fitzgerald Auto Malls

Moore administration will be a benefit to all Marylanders and are happy to lend any support that we can."

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### Maryland AG Frosh Warns Consumers about Flood Damaged Cars

Maryland Attorney General Brian E. Frosh today warned consumers to be cautious of purchasing vehicles that may have been impacted by major flood damage. After hurricanes with large-scale floods like Ian, flood-damaged cars often end up at salvage auctions and bought by rebuilders. While these vehicles should be marked "salvage" or "total loss" on the title, dishonest sellers may "wash" the title, hide the damage, and offer these vehicles for sale.

"Consumers purchasing a used car after a hurricane should always be wary that the vehicle may be irreparably damaged and not the good deal it appears to be," said Attorney General Frosh. Signs of a flooded vehicle may include:

- A musty odor in the interior, which might be covered with a strong air-freshener;
- Upholstery or carpeting which is loose, stained, doesn't match, is new, or is damp;
- Rust around doors, under the dashboard, on the pedals, or inside the hood and trunk latches;
- Mud or silt in the glove compartment or under the seats;
- Brittle wires under the dashboard; and/or
- Fog or moisture beads in the interior or exterior lights or instrument panel.

Attorney General Frosh advises consumers to follow these tips to protect themselves and avoid purchasing flood-damaged vehicles:

- Check the VIN history. The National Insurance Crime Bureau (NICB) has a free database that can tell you if a car has been marked as salvage, stolen, etc. Note, rental vehicles may not make it into this database. Consumers can check the vehicle history by visiting: <a href="https://www.nicb.org/theft">www.nicb.org/theft</a> and fraud awareness/vincheck
- Check the title. If the VIN number clears the NICB, consumers should then check the National Motor Vehicle Title Information System, a program administered by the U.S. Department of Justice, at: vehiclehistory.gov/nmvtis\_vehiclehistory.html. There may be a fee to obtain reports through this service. The history reports provide current and previous state of title data, title issue date, latest odometer data, theft history data (if any), any brand assigned to a vehicle and date applied, and salvage history, including designations of a "total loss" (if any).
- Additional resources. If the VIN and title checks clear, consumers may use paid sources, such as CarFax or AutoCheck.
- Inspection: Consumers should thoroughly inspect their prospective vehicles, even if the vehicle clears all reports. Salvagers clean vehicles extensively. However, not all flood damage is visible.

Consumers who suspect they may have purchased a flood-damaged vehicle may file a complaint with the Office of Attorney General's Consumer Protection Division by visiting www.marylandattorneygeneral.gov.

#### **IRS Warns Against Improper Employee Retention Credit Claims**

The Internal Revenue Service today warned employers to be wary of third parties who are advising them to claim the Employee Retention Credit (ERC) when they may not qualify. Some third parties are taking improper positions related to taxpayer eligibility for and computation of the credit.

These third parties often charge large upfront fees or a fee that is contingent on the amount of the refund and may not inform taxpayers that wage deductions claimed on the business' federal income tax return must be reduced by the amount of the credit.

If the business filed an income tax return deducting qualified wages before it filed an employment tax return claiming the credit, the business should file an amended income tax return to correct any overstated wage deduction.

Businesses are encouraged to be cautious of advertised schemes and direct solicitations promising tax savings that are too good to be true. Taxpayers are always responsible for the information reported on their tax returns. Improperly claiming the ERC could result in taxpayers being required to repay the credit along with penalties and interest.

#### What is the ERC?

The ERC is a refundable tax credit designed for businesses who continued paying employees while shutdown due to the COVID-19 pandemic or had significant declines in gross receipts from March 13, 2020, to December 31, 2021. Eligible taxpayers can claim the ERC on an original or amended employment tax return for a period within those dates.

To be eligible for the ERC, employers must have:

- sustained a full or partial suspension of operations due to <u>orders from an appropriate</u> <u>governmental authority</u> limiting commerce, travel, or group meetings due to COVID-19 during 2020 or the first three quarters of 2021,
- experienced a <u>significant decline in gross receipts during 2020</u> or a <u>decline in gross receipts during the first three quarters of 2021</u>, or
- qualified as a <u>recovery startup business</u> for the third or fourth quarters of 2021.

As a reminder, only recovery startup businesses are eligible for the ERC in the fourth quarter of 2021. Additionally, for any quarter, eligible employers cannot claim the ERC on wages that were reported as payroll costs in obtaining PPP loan forgiveness or that were used to claim certain other tax credits.

To report tax-related illegal activities relating to ERC claims, submit <u>Form 3949-A</u>, <u>Information Referral</u>. You should also report instances of fraud and IRS-related phishing attempts to the <u>Treasury Inspector General for Tax Administration</u> at 800-366-4484.

Go to IRS.gov to learn more about eligibility requirements and how to claim the Employee Retention Credit:

• For qualified wages paid after March 12, 2020, and before January 1, 2021 – Notice 2021-20, Notice 2021-49, and Revenue Procedure 2021-33

- For qualified wages paid after December 31, 2020, and before July 1, 2021 Notice 2021-23, Notice 2021-49 and Revenue Procedure 2021-33
- For qualified wages paid after June 30, 2021, and before October 1, 2021 Notice 2021-49 and Revenue Procedure 2021-33
- For qualified wages paid after September 30, 2021, and before January 1, 2022 Notice 2021-49 and Notice 2021-65

#### The WANADA Annual Meeting Is in Two Weeks!

Slated for the evening of November 9 at Columbia Country Club in Chevy Chase, MD, the 2022 WANADA Annual Meeting will be a departure from previous formats.

"We want to change it up every few years," said WANADA President & CEO John O'Donnell. "The Ritz in Tysons Corner will likely continue to be our standard destination, but we wanted to gather everyone for an elevated experience now that the pandemic seems to be well and truly behind us."

The evening will begin with a 5:30 p.m. networking reception, followed by dinner, business and entertainment from 6:30-8:30. Confirmed speakers include leading auto industry analyst Glenn Mercer and comedian Tom Shillue.

Glenn Mercer is a well-known automotive industry analyst with decades of experience, first consulting with McKinsey & Company and as an independent contractor, writer and speaker since 2006. Well-traveled on the dealer circuit, Glenn will be familiar to many of WANADA's members, as he is a regular at the NADA Show and has spoken to the WANADA membership as well. He is an advisor to numerous investment firms, notably Greenbriar, Baillie Gifford, and currently Alliance Bernstein; also academic entities (e.g. IMVP), and others (e.g. the Automotive X Prize).

Current host of The Quiz Show and UN-PC on Fox Nation, Tom Shillue frequently appears on The Greg Gutfeld Show and The Five on Fox News Channel. Tom has appeared in his own Comedy Central Stand-Up Special, on The Late Show with Stephen Colbert, Conan, Late Night, Last Comic Standing, and was a correspondent on The Daily Show. Tom frequently appears on The Tonight Show Starring Jimmy Fallon as part of "The Rag Time Gals," Jimmy's barbershop quartet, performing alongside such guests as Justin Timberlake, Kevin Spacey, Steve Carell, Sting, and Tina Fey. The Gals' videos have been viewed over 50 million times! Tom's first book, *Mean Dads For A Better America: The Generous Rewards Of An Old-Fashioned Childhood*, was released on Harper Collins' Dey St. Books. You can currently see Tom perform in theaters across the US, with Greg Gutfeld, on The Gutfeld Monologues Live Tour.

Save the Date for the WANADA Annual Meeting and registration details will be forthcoming soon. The 2022 WANADA Annual Meeting is generously sponsored by BG Crovato Products & Services, Chesapeake Contracting Group, Citrin Cooperman, Penney Design Group, The Keats Group at RBC Wealth Management, and Truist.

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