



THE WANADA BULLETIN

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

WANADA Bulletin # 01-23

January 12, 2023

Register Today for the WANADA Member Reception at the DC Auto Show!

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Maryland Minimum Wage Increase

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Beware of Fake DC Auto Show Visitor Lists

Register Today for the WANADA Member Reception at the DC Auto Show!

The Washington, D.C. Auto Show is less than one month from opening, so be sure to save the date in your calendars so as not to miss a variety of industry and dealer focused events featured this year.

The highlight of the show for most WANADA members is, of course, the WANADA Member Reception. For 2023, the Member Reception will be held the evening of January 19, concurrent with the show's annual Sneak Peek Preview. Sponsored by BG Crovato Products & Services and The Kirvan, Pierce, Sweeney Group, the WANADA Member Reception will be from 6:00-8:00 p.m. and registration details are available [here](#).

If you're planning on coming to the Member Reception, you may also want to come down a bit early so that you can see this year's exciting Public Policy Day programming. As the "public policy show" on the global auto show circuit, the Washington, D.C. Auto Show advances its 10-day consumer event with an exclusive look at the people and policies shaping the U.S. auto industry. This year's program features a man that has been called "the most important person to the auto industry right now," National Climate Advisor Ali Zaidi. As President Biden's preeminent advisor on all matters related to the environment, to include vehicle electrification and infrastructure, Mr. Zaidi has remarkable influence over the automotive space. Other speakers include Gabe Klein, Executive Director of the Joint Office for Energy and Transportation, Michael Berube, Deputy Asst. Secretary of the Department of Energy (DOE), Andrew Mayock, Federal Chief Sustainability Officer, Ambassador of the European Union to the United States Stavros Lambrinidis, and Nikola Motors CEO Michael Lohscheller.

And it's not just all policy-talk either. In addition to the slate of speakers and panel discussions, Toyota, Lamborghini and Bentley will be introducing new products to our region and U.S. News & World Report will be delivering their annual "Best Cars for the Money" awards. To see the latest lineup or register to attend, visit the Public Policy Day webpage [here](#).

Once Public Policy Day and the Member Reception have concluded, the auto show will open to the public on Friday, January 20. The following week, the annual WANADA Tag & Title seminar will be held on Tuesday, January 24 from 9:30 – 11:30 a.m. A motor vehicle agency focused seminar unique to our region, the Tag & Title seminar at the auto show features motor vehicle agency regulators from DC/DMV, Maryland/MVA and Virginia/DMV discussing the special tag and title issues facing Washington Area dealers. The seminar will focus, as always, on inter-jurisdictional coordination and administrative efforts. Full details and registration information is available [here](#).

Finally, all WANADA members travelling to Dallas for the **2023 NADA Show** are invited to attend the **WANADA/MADA/VADA Reception on Friday, January 27, 2023 from 6:00-9:00 p.m.** The reception is being held at the Marie Gabrielle Restaurant and Gardens, located at 2728 N Harwood St, Dallas, TX 75201 and is sponsored by Councillor, Buchanan & Mitchell, COX Automotive, Rifkin Weiner Livingston LLC, Mahdavi, Bacon, Halfhill & Young, PLLC, Penny Design Group, Truist, TrueCar and Armatus.



From NADA: EV Tax Credit Guide

New links to IRS information on the Inflation Reduction Act's clean vehicle and refueling infrastructure tax credits, together with updated sample federal EV credit seller report forms (in both PDF and Word versions), have been posted to the NADA Regulatory Affairs Alternative Fuel Vehicle and Refueling Incentive [webpage](#).

The [webpage](#) also links to valuable information on state and utility incentives. In addition to becoming familiar with the information available on the [webpage](#), dealers should pay close attention to any EV tax credit communications they receive from their OEMs and the finance sources they work with.

Any questions may be directed to regulatoryaffairs@nada.org.

Maryland Minimum Wage Increase

On January 1, minimum wage climbed from \$12.50 an hour to \$13.25 an hour for companies with 15 or more employees in the state of Maryland. It's set to continue to rise every year until it reaches \$15 an hour by 2025. Maryland is one of 23 states to increase its minimum wage in 2023. Smaller employers will see a slightly smaller increase in what they need to pay employees. The current \$12.20 per hour minimum wage for employers with 14 or fewer employees will increase to \$12.80.

In 2019, state lawmakers overrode Gov. Larry Hogan's veto of the bill that will increase the state's minimum wage to \$15 by 2025.

While it was an independent store rather than a franchised operation, at least one dealer learned a valuable lesson in tracking these changes and proper employee compensation documentation back in 2021. According to [this article](#), in *Coady v. Nationwide Motor Sales Corp.*, three former sales managers filed suit on behalf of themselves and 150 other current and former employees for unpaid commissions resulting in alleged state and federal minimum wage and wage payment violations in excess of \$5 million. The employees claimed that the dealership assessed undisclosed “packing costs,” “wholesale costs,” “promotional” costs, and “service reductions” to vehicle sales in order to artificially deflate profits and reduce employee commissions. They additionally contended that their pay plans did not adequately explain that base wages would be treated as an advance or draw against future commissions, that unspecified chargebacks were assessed against commissions, and that the dealership made improper deductions from their final pay.

The risks associated with using commission pay plans that do not accurately and clearly explain how commissions are calculated cannot be overstated. While chargebacks, packs, and other costs are routine in the dealership industry, the failure to disclose these assigned costs and commission calculation process provides employees with the opportunity to make the dubious claim that they were unaware of them. A thorough pay plan disclosing exactly how commissions are calculated greatly reduces the risk employees will raise these claims in the first place.

There are three documents that dealers should regularly review and update for compliance: the employee handbook, commission pay plans, and arbitration agreements. If your dealership hasn't updated these documents in the last year, you should consider consulting with legal counsel to make sure your documents are compliant and enforceable.

Reminder: Jan. 31 Deadline for Form 8300 Statements

Dealers who receive more than \$10,000 in cash in a single transaction or in related transactions must file Form 8300 with the IRS by the 15th day after the date the cash transaction occurred. Besides filing Form 8300, you also need to provide a written statement to each party whose name you included on the Form 8300 by Jan. 31 of the year following the reportable transaction. This statement must include the name, address, contact person and telephone number of your business and the aggregate amount of reportable cash. The statement must also indicate that you provided this information to the IRS.

Beware of Fake DC Auto Show Visitor Lists

WANADA has received reports of individuals attempting to sell “DC Auto Show Visitors Lists” via email. Please be aware that these lists are scams and are not authorized to represent WANADA or The Washington, DC Auto Show in any capacity. Many of the emails that have been provided to WANADA staff originate from email addresses like “xxxxx@attendeeslistdb.com” which are fake websites designed to appear legitimate. Please disregard any such requests that you receive.

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