

THE WANADA BULLETIN

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

WANADA Bulletin # 13-23

November 1, 2023

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IRS Expects to Reimburse Dealers for EV Credits Within 72 Hours

A few weeks ago our friends at NADA reported that the IRS expects to reimburse dealers who transfer advance payments for clean vehicle tax credits “on the hood” within 72 hours of submission via electronic payment. Additionally, Treasury said that consumers – as opposed to dealers – will be responsible for attesting to their income for the purpose of determining eligibility for clean vehicle tax credits.

These are positive developments and aligned with two major priorities that NADA stressed to Treasury would be needed for successful implementation of the clean vehicle tax credit program in the showroom. The information Treasury released Friday should allay the biggest dealer concerns with their role in facilitating advanced clean vehicle tax credits to consumers at the point of sale starting in January 2024.



The information regarding the EV tax credit advance payments was part of an announcement Friday from the Treasury Department which is available [here](#). The announcement contained other information regarding the implementation of the EV tax credits; for instance, details about how dealers will register with the IRS via the portal.

WANADA & NADA will be communicating regarding the full announcement in the near future. We will also continue to engage with Treasury regularly as the regulations are completed and Treasury releases additional information related to the clean vehicle tax credit program.

You may also be interested in the FAQ below, which Treasury posted for dealers' information:

May a buyer claim the new or previously-owned clean vehicle tax credits if the dealer or seller of the vehicle is not registered with the IRS?

No. Starting for vehicles placed in service January 1, 2024 or later, buyers will only be able to claim credits if the seller has registered with the IRS and successfully submits a seller report through the IRS Energy Credits Online. This submission is done at the time of sale through IRS Energy Credits Online, and the seller must provide a copy of the successfully submitted seller report to the buyer.

What information is required for dealer registration?

Dealers should be prepared to create an account using general Business information (including Business EIN, Address, Phone Number, and Email) and authorize an individual to access dealer registration.

Dealers registering for advance payments will have to provide additional information, detailed on IRS Energy Credits Online.

What is the difference between registering for seller reporting and the advance payment program?

A registration to submit seller reports will allow dealers and sellers the ability to submit seller reports through IRS Energy Credits Online when selling eligible vehicles. This does not include the ability to receive advance payments. A registration for the advance payment program grants the dealer the ability to submit seller reports when selling a vehicle and submit a request for an advance payment to the IRS. Only licensed dealers may register to receive advance payments.

Once a dealer is registered, when can they start to receiving advance payments?

Buyers may transfer their credit to the dealer, thereby allowing dealers to initiate an advance payment request, beginning January 1, 2024.

Can a dealer come back into IRS Clean Energy Online and complete its advance payment registration at another time?

Yes. A dealer who is registered to submit seller reports will have the ability to continue their registration to receive advance payments at any time.

Is dealer registration separate for used and new vehicle sales?

No. Registered dealers may submit seller reports for both new and previously-owned clean vehicle sales. Please note, only licensed dealers may submit seller reports for previously-owned clean vehicles.

Why did my dealership receive a tax compliance error?

A tax compliance error is a result of an overdue tax return or unpaid federal tax debt. If you receive this error, call 877-968-3413 for more information.

What does my dealership need to do to be in tax compliance? What if my dealership is not in tax compliance? How can my dealership become compliant to participate in the advance payment program?

Dealer tax compliance means that all required Federal information and tax returns of the dealer have been filed, including for Federal income and employment tax purposes, and all Federal tax, penalties, and interest due of the dealer as of the time of sale have been paid. A dealer that has entered into an installment agreement with the IRS for which a dealer is current on its obligations is treated as being in dealer tax compliance.

Last Chance: Register Now for WANADA Annual Meeting & Dinner

The 2024 WANADA Annual Meeting will be held on next Tuesday, November 7th at Columbia Country Club in Chevy Chase, MD. The event will repeat last year's successful format change to an evening affair, complete with dinner and entertainment. A networking reception will be held from 5:30 – 6:30 p.m., with dinner to follow. Mentalist Jason Suran will provide the night's entertainment, and NADA President Mike Stanton and NADA Chairman Geoff Pohanka will also provide remarks on the state of the automotive industry. [Click here](#) to register if you have not done so already. Event sponsors include BG Crovato Products & Services, Capital Automotive Real Estate Services, Chesapeake Contracting Group, Councilor, Buchanan & Mitchell, Penney Design Group, and The Keats Group at RBC Wealth Management.

Webinar on Passing Credit Card Fees to Customers

On Tuesday, December 5, 2023 at 12:30 p.m., WANADA will be partnering with Dealer Merchant Services on the topic of passing credit card fees through to your customers.

Credit card fees are increasing every year. Due to recent legal changes, you can now pass along those fees to your customers in many circumstances, though guidelines may vary between your credit card company and state. Dealer Merchant Services will educate WANADA members on compliance and best practices to ensure that a credit card fee passthrough policy is implemented correctly. Dealer Merchant Services has developed a successful process to assist dealers in passing along these fees within compliance and without disrupting CSI. The webinar will cover the following topics:

- Legal Changes
- Credit Card Expense Awareness
- How it works
- What about CSI?
- Potential Savings
- Best Practices for Implementation

[Click here](#) to register today!

WANADA Wins WRAPPY Award for Sober Driving Program

On Friday, October 20, WANADA CEO John O'Donnell attended the 41st annual WRAPPY Awards, the annual showcase of impaired driving prevention initiatives sponsored by the Washington Regional Alcohol Program (WRAP). WRAP is a public-private partnership working to prevent drunk driving and underage drinking in the Washington metropolitan region. For its part, WANADA has long sponsored WRAP's SoberRide program which offers free cab or rideshare services to revelers on holidays traditionally associated with drinking, such as New Year's Eve and St. Patrick's Day.



Pat Burke, Executive Director of the DC Police Foundation and Chairman of WRAP, presents the WRAPPY to WANADA CEO John O'Donnell.

In recognition of WANADA's longstanding commitment to WRAP's efforts to save lives and prevent injuries caused by drunk driving, WANADA received the 2023 WRAPPY Award for Corporate Sponsorship. WANADA would like to thank the WRAP Board for extending this prestigious honor.

Register for MADA Maryland Employment Law Webinar

The National Labor Relations Board recently issued a flurry of decisions that will impact union and non-union workplaces alike, including heightened standards for handbook policies and work rules. On November 7, 2023, at Noon, Fiona Ong and Chad Horton from Shawe Rosenthal will present a complimentary webinar to review those standards, as well as other common handbook policy concerns. The webinar will also address other recent Board decisions and provide guidance on compliance, including on:

- The greatly expanded scope of employee activity that will be protected under the National Labor Relations Act.
- The new/revived "quickie election" rule that will expedite the election process and give employers less time to engage in union-free efforts.
- Bargaining orders that will allow unions to become the representative of employees without an election.

[Click here](#) to register.

Virginia Elections Next Week

As a reminder, next week the entire General Assembly of Virginia will be up for grabs. The 2023 Virginia elections come on the heels of historic redistricting, resulting in nearly 50 seats across both chambers that will not be filled with incumbents. To assist with educating dealers on every aspect of the upcoming election, our friends at VADA have developed an [Election Center](#), replete with a large assortment of helpful resources.

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