

Message from your Executive Vice President



We have a new look!

Last year we finished a major remodel of MADA's website

to make it modern, fast and user friendly. MADA News is following that lead with a similar look, colors and graphics. But most of the change is functional, so the newsletter design works for readers of this print version and also for those who read the digital newsletter version published each month.

News coverage will also reflect member interests. We tracked clicks to see which headlines caught readers' attention and how many articles were read. Some popular topics will get expanded coverage in news articles on the website and 'news shorts' for our email member subscriber list.

As always, we welcome your feedback.

inside

What are dealers' health insurance responsibilities?

Legislature begins final weeks

NADA loses Risk Based Pricing lawsuit

MADA seeks state contract bidders facing increased Workers Comp costs

Important form approaching "end of life"

upcoming events

23 Sales Tax Roundtable
Minneapolis

6 Sales Tax Roundtable
Brainerd

19 Title Basics
Minneapolis



Legal News

NADA loses Risk Based Pricing lawsuit

The National Automobile Dealers Association fought the good fight. NADA sued the Federal Trade Commission challenging a preposterous FTC interpretation of a federal disclosure law.

Unfortunately for dealers - and some of their customers - NADA lost.

The fuss was about this question: If a dealer successfully arranges installment financing for a customer but never pulls

"...is the dealer required to provide the customer a 'Risk Based Pricing' credit score disclosure?"

a consumer credit report, is the dealer nonetheless required to provide the customer a "Risk

NADA loses Risk Based Pricing..., *continued on page 2...*

visit
www.mada.org
and click **TRAINING**
for a complete list of
Upcoming Events

Legal News

NADA loses Risk Based Pricing lawsuit (cont. from cover)

Based Pricing” credit score disclosure?

The answer to the question hinges on the legal interpretation of the word “used.”

The FTC issued a written interpretation that in the typical installment sales transaction, the disclosure obligation was triggered even if the dealer never obtained a consumer credit report, because the dealer has “used a credit report in connection with an application for credit because [the dealer] initiated the request that caused the financing source to obtain the consumer report...”

NADA went to Federal Court back in 2011 and challenged the bootstrapping FTC logic. NADA argued that a dealer can’t be considered to be “using” a credit report that it never sees. It

furthermore questioned the feasibility of a dealer obtaining credit score information from a lender.

NADA lost in Washington D.C. District Court and appealed. The appeal has now also failed.

For many dealers who always obtain consumer credit reports on their finance customers, this ruling has no real effect. These dealers already use a vendor such as DealerTrack to routinely generate a credit score disclosure.

This final ruling means that dealers will be required to generate a credit score disclosure for all consumer customers approved for and offered vehicle financing. That may mean dealers pulling a bureau when they otherwise wouldn’t - perhaps to the detriment of their customers’ credit rating.

MADA News

MADA seeks state contract bidders facing increased Workers Comp costs

If you bid on state contracts, then you already know that the State of Minnesota has begun to enforce a policy to require bidders to have workers compensation insurance from an insurer with an AM Best rating of A-, and a Financial Size Category of VII or better. Because of the State’s policy, several MADA members have been faced with substantially increased workers compensation insurance costs in order to enter contracts with the State of Minnesota this year.

If you bid on state contracts and were required to spend more to meet the State’s workers compensation insurance requirement, we’d like to hear from you. Please contact MADA’s Alyssa Schlander at 651-291-2400 or by email at alyssa@mada.org.



Minnesota Automobile Dealers Association

The Minnesota Automobile Dealers Association is a non-profit trade association dedicated to the progress of the retail auto industry in Minnesota.

President

Steve Brimhall, *Minnesota Motor Company, Fergus Falls*

President-Elect

Morrie Wagener, *Morrie’s Automotive Group, Minnetonka*

Treasurer

Greg House, *House Chevrolet, Stewartville*

Secretary

Mike Saxon, *Inver Grove Ford Lincoln, Inver Grove Heights*

Executive Vice President

Scott Lambert

200 Lothenbach Avenue • West St. Paul, MN 55118

Metro: 651-291-2400 • Toll Free: 800-652-9029

FAX: 651-291-2894 • Web site: <http://www.mada.org>

Services News

Important forms have changes coming

Many dealers are still using the Bankers Systems Installment Contract # RS-SI-MV-MN 4/5/2006.

This 2006 contract version is approaching “End of Life.”

In the face of close scrutiny and compliance concerns by various lenders, the 2006 version of the installment contract form is being phased out in favor of the newer Installment Contract # RSSIMVLF-MN 11/11/2012.

MADA Services will continue to sell the outdated 2006 version from available stock through October 1, 2013. Dealers should check with their DMS providers for reprogramming needs. MADA will be happy to provide samples of the updated contract to dealers as needed. Please contact Jack Kohls at your MADA office.

Dealers should also be aware that the 2013 Minnesota Legislature will likely enact tax and fee changes that will require modification to the vehicle purchase agreement (buyers order) form. Changes could be required as early as July 1, 2013. In addition, dealers may seek a modified purchase agreement to correctly display the up-front general sales tax on maintenance contract premiums. MADA is monitoring the situation closely with an eye toward needed form changes and will keep dealers advised.

This 2006 contract version is approaching “End of Life.”

Services News

FTC eliminates outdated alternative fuel label

Effective May 31, 2013, the Federal Trade Commission is eliminating an outdated and widely ignored requirement for dealers to affix a driving range / fuel cost label to used alternative fuel vehicles that they offer for sale. Created in 1995 under the Energy Policy Act of 1992, the mandated labels were designed to help consumers comparison shop.

In addition to eliminating the labeling requirement for used alternative fuel vehicles, the FTC also

acted to consolidate FTC labels with EPA fuel economy labels that the manufacturers affix to new alternative fuel vehicles.

NADA advocated for both changes arguing, in particular, that the used alternative fuel labels were of limited usefulness for consumers and imposed an undue regulatory burden on dealerships.



What are dealers' health insurance responsibilities?

Large Employers = 50+ full-time equivalent employees

Health care reform imposes potential penalties on “large employers” which either:

- do not offer health insurance to employees or
- offer insurance the law defines as unaffordable (more than 9½% of household income for employee-only insurance).

The IRS has provided guidance for interpreting some key provisions of the Patient Protection and Affordable Care Act (PPACA). Plans affected by this guidance will include employer group health plans, whether insured or self-insured, and regardless of whether the plan is grandfathered. The guidance applies to the PPACA requirements that take effect January 1, 2014.

Only Large Employers are subject to penalties

A *large employer* is one with more than 50 “full-time equivalent” employees during the preceding calendar year. In order to determine whether an employer is a *large employer*, both full-time and part-time employees are included in the calculation. Full-time employees are those working 30 or more hours per week. The number of full-time employees excludes those full-time seasonal employees who work for fewer than 120 days during the year. The hours worked by part-time employees (i.e., those working fewer than 30 hours per week) are included in the calculation of a large employer, on a monthly basis, by dividing their total number of monthly hours worked by 120.

Example: A dealer has 35 full-time employees (30+ hours). In addition, the firm has 20 part-time employees who each work 24 hours per week (96 hours per month). These part-time employees' hours would be treated as equivalent to 16 full-time employees, based on the following calculation:

$20 \text{ employees} \times 96 \text{ hours} / 120 = 1920 / 120 = 16.$

Thus, in this example, the firm would be considered a “large employer,” based on a total full-time equivalent count of 51—that is, 35 full-time employees plus 16 full-time equivalents based on part-time hours.

New dealers must estimate

For employers not in existence throughout the preceding calendar year, the determination of *large employer* is based on the average number of employees a firm reasonably expected to employ on business days in the current calendar year. Any reference to an employer includes a reference to any predecessor of that employer.

Union employees are included

The guidance does not differentiate between union and non-union employees. Union employees must be included in determining whether a dealer is a *large employer*. A section within the proposed rule

about employers that contribute to multi-employer (union) plans is a transitional rule until 2015. It provides guidance on whether contributions to a multi-employer plan will be sufficient to avoid the large employer play-or-pay penalties.

Under the IRS transitional rules, a large employer will not owe the penalty for a full-time employee if the following criteria are met:

1. The employer is required to contribute to a multi-employer plan with respect to that employee pursuant to a collective bargaining agreement or participation agreement;
2. Coverage is offered under the multi-employer plan to the full-time employee and the employee's dependent children (does not require coverage for spouses), and
3. The coverage offered to the full-time employee is affordable and provides minimum value.

This transitional rule doesn't apply for every bargaining unit. It applies only when the plan (i) offers employee and dependent children coverage, (ii) is "affordable", and (iii) provides minimum value.

So, while this transitional rule seems to provide some relief by allowing contributions to a multi-employer plan to satisfy the obligation to offer coverage, contributions alone do not guarantee compliance. Dealers contributing to a multi-employer plan should verify that the plan meets the requirements under the IRS guidance.

Employer Shared Responsibility tax

During 2014, if a *large employer* meets the 50 full-time employee threshold, the employer generally will be liable for the following Employer Shared Responsibility payment only if:

- The employer **does not offer health coverage** or offers coverage to less than 95% of its full-time employees, and at least one of the full-time employees receives

a premium tax credit to help pay for coverage on an Exchange. The Employer Shared Responsibility payment equals the average number of full-time employees employed for the year (minus 30) multiplied by \$2,000;

OR

- The employer **offers health coverage** to at least 95% of its full-time employees, but at least one full-time employee receives a premium tax credit to help pay for coverage on an Exchange, which may occur because (i) the employer did not offer coverage to that employee or (ii) because the coverage the employer offered that employee was either unaffordable to the employee or did not provide minimum value. The amount of the payment for the month equals the number of full-time employees who receive a premium tax credit multiplied by \$3,000. The amount of the payment is capped at the number of the employer's full-time employees (minus up to 30) multiplied by \$2,000.

Penalties are pro-rated based on the number of full-time employees per month. After 2014, the rule applies to employers that do not offer health coverage or that offer coverage to less than 95% of their full time employees and *the dependents of those employees*.

Legislature begins final weeks

As the legislature begins the final few weeks of session before the constitutionally-set deadline of May 20th, we can expect most of the action to happen during late-night conference committee negotiations.

Most issues relevant to MADA members are still unresolved as of the date this newsletter went to print. Most importantly:

- **Motor vehicle sales tax increase**
Transportation Chairman Sen. Scott Dibble's proposed increase for the sales tax on motor vehicle sales would rise from the current rate of 6.5% to 6.875%. Dibble's motor vehicle sales tax proposal is part of a larger transportation funding amendment that also includes county authority to impose wheelage taxes on vehicle registrations, municipal street improvement fees, an increase to the metro-area transit sales tax, and more. MADA opposes these tax increases, but lawmakers are eager to find new revenue for transportation and transit infrastructure.
- **Street improvement districts**
MADA is leading a coalition to oppose the proposed street improvement districts. This proposed "street improvement fee" authority is nothing more than an additional property tax. Language in SF1173 (Dibble) and the House Tax Bill (HF677) would allow cities to impose new property taxes to fund street improvements. In addition to the property taxes that businesses are already paying, this new tax could prove costly for business property owners.
- **Overtime hour change** HF92 (Winkler) proposes to change the overtime threshold from 48 hours to 40 hours per week. Rep. Joe Atkins successfully added an amendment on behalf of MADA to protect and extend the exemption from overtime that currently

applies to automotive mechanics, parts people and sales people. Without the Atkins amendment, the bill would have required overtime for hourly and salaried mechanics,

...we can expect most of the action to happen during late-night conference committee negotiations.

parts people and sales people after 40 hours per week instead of the current 48 hours per week threshold. The overtime issue is part of a larger controversial bill that increases the minimum wage and requires employers to provide 12-weeks of unpaid family leave.

- **Sales tax increases on motor vehicle repair services** Even though the Governor has backed off his push for a sales tax expansion, the bill to expand the sales tax to certain services, including auto repair labor, is still alive in the Senate Tax bill.
- **Rental car rate increase** The Governor, House, Senate all seek to increase the rate on rental cars in Minnesota. This 3% tax increase would make the Twin Cities the third-highest rate in the nation. MADA opposes this increases because it is an unfair tax on our customers who may need a rental car during their car repair.

It should be noted that the Senate, House, and Governor's proposals—although decidedly different—all seek to raise a significant amount of new revenue. The keystone of all these proposals is an increase in the income tax. There are, however, significant disagreements on many of the other new taxes and policy proposals, which will be negotiated in the final weeks of the session.

For a complete explanation of all the legislative changes that affect your business, look for our annual Legislative Wrap-Up, published next month.

Dealership Sales Tax Roundtable Luncheon

No one knows how the Sales Tax issues circulating in the legislature will all shake out. But MADA's team is keeping a finger on the pulse and will be ready to share the outcomes with you at the upcoming Roundtable Luncheon. In addition, the Sales Tax experts at Clifton-Larson-Allen will describe the Sales Tax implications for dealerships, including the new policy on taxing optional maintenance agreements.

Roseville

Thursday, May 23, 2013

Roseville Radisson

11:30 a.m. - 3:00 p.m.

Webcast

Thursday, May 23, 2013

11:30 a.m. - 3:00 p.m.

Brainerd

Thursday, June 6, 2013

Grand View Lodge

11:30 a.m. - 3:00 p.m.

As the State looks for ways to generate revenue, there is no doubt new sales taxes are going to be a source for revenue. There are a number of tax issues in play and circulating through the legislature, but by May 23rd, Alyssa Schlander, MADA's lobbyist and legislative guru, along with Jim Schutjer, MADA's Legal Counsel, will have concrete answers for you. Get the inside story on how these legislative decisions were made and find out what you need to do to be in compliance.

Then, after lunch, hear from the Sales Tax experts at Clifton-Larson-Allen. Mike Herold, CLA's Partner of State and Local Tax Group and Mrudel Sharma, Manager and CPA, will review tax rules and regulations to ensure that your dealership is collecting, remitting, and paying the appropriate use tax directly to the Minnesota Department of Revenue. Some of the topics that will be covered include:

- The audit process: how to prepare, gather data and interact with the auditor;
- Valid exemption certificates and retention requirements;
- Taxable services;
- Sales tax planning opportunities; and
- Detailed discussion on the DOR's new policy on taxing optional maintenance agreements and how this applies to dealerships.

Be sure your dealership has representation at this seminar to understand the new tax laws rules and regulations.

Please refer to the flyer for locations and registration information

Education News

Become a Certified Title & Registration Professional

The Certified Title & Registration Program has been designed in a coordinated effort with MADA, Driver and Vehicle Services and the Deputy Registrars. Certified Title & Registration Professionals become eligible for CVR (Computerized Vehicle Registration) and will, therefore, be granted unique access to the state's e-support mechanisms with the ability to electronically communicate customer's information to the Deputy Registrar and the State.

*All three classes** are mandatory and must be passed (with a test score of 70% or better) to become certified and eligible for CVR. Testing will be conducted by DVS following each class. Individuals who successfully pass the three subject areas will be certified for three years. Continuing education will be required to maintain individual certifications.*

Minneapolis

Doubletree by Hilton - Park Place

Tuesday, July 9, 2013

**or
Tuesday, September 10, 2013**

**or
Tuesday, November 12, 2-013**

Sales Tax 9:00 a.m. - 10:00 a.m.

New to Fleet 10:30 a.m. - 12:30 p.m.

MN Titles & Transfers 1:00 p.m. - 3:00 p.m.

New to Fleet

This class addresses transfers which create the first Minnesota Certificate of Title. These include new vehicle sales, leases and transfers based on out of state titles. Also, learn about special situations including secure reassignments, secure powers of attorney, dealer conditionals and special plates.

Sales Tax

Minnesota motor vehicle sales tax requirements can be complex. In this class, \$10 and \$90 "in lieu" taxes, discounts, rebates, disabled modifications, gift exemption, divorce, trusts and many other special situations and exemptions will be covered. This class also explores the legal options for dealers titling vehicles for resale and dealership business use.

Minnesota Titles and Transfers

In this class, you will become proficient in the requirements for transferring ownership of Minnesota titled/registered vehicles; use of Minnesota secure power of attorney and reassignment forms; how to correct ownership, alterations or other incorrect information; and learn about common form attachments (transfer upon death, repossessions, grants or release of liens, and more).

Please refer to the flyer for locations and registration information

****Important note:** these classes are not designed to teach the titling process. The purpose is to improve accuracy and consistency of data, promote quality customer service and expedite the production of state titles. Certification is mandatory to obtain CVR. To participate in any of the title classes (New to Fleet, Sales Tax and Minnesota Titles and Transfers), it is suggested that participants have at least one month experience working directly with titles.

Education News

Title Basics

This class prepares title clerks for the Certified Title Professional program.

This class is designed to familiarize new title clerks with the necessary forms, information and procedures required in this position. This hands-on training will broaden the understanding of state forms, their proper application and fee allocation.

TITLE BASICS* is intended to ease any anxiety associated with the sometimes complicated forms. Aly Quinn will work with you to help better understand the forms, fees, titles, transfers, etc. Aly, having done title work for a dealership as well as for the White Bear Licensing Bureau, has over 15 years of combined titling experience and is currently working with CVR.

This class will prepare title clerks for the Certified Title Professional program which is offered at MADA in conjunction with DVS. The class agenda is as follows:

Hour one: Getting to know the forms

Hour two: Understanding the fees

Hour three: Making sense of the information and a one-on-one Q & A

Participants will also receive a booklet with all of the forms and helpful hints

Minneapolis

Wednesday, June 19

1:00 p.m. - 4:00 p.m.

Doubletree by Hilton Park Place

Brainerd

Tuesday, July 16, 2013

1:00 p.m. - 4:00 p.m.

Grand View Lodge

Please refer to the flyer for locations and registration information

Show how much you appreciate your customers

One of the most successful events that a dealership can host is a customer appreciation event. Don't wait for the generic OEM annual event. Make it extra special by asking for nothing in return for their attendance. By showing your appreciation, you will build stronger relationships and a higher level of trust with your customers.

This kind of event could be hosted anytime during the year. We recommend having one early in the season and possibly twice per year.

A few things to include at your appreciation event:

- Free appetizers and refreshments
- Prizes, raffle and branded giveaways
- Face painting for the kids or fun games
- Live music or magician



Put a little extra into the budget, be creative, and plan a fun event. It will be well worth it!

Minnesota Auto Outlook

Released by:
Minnesota Automobile
Dealers Association

Covering the Minnesota automotive market

Data thru March 2013

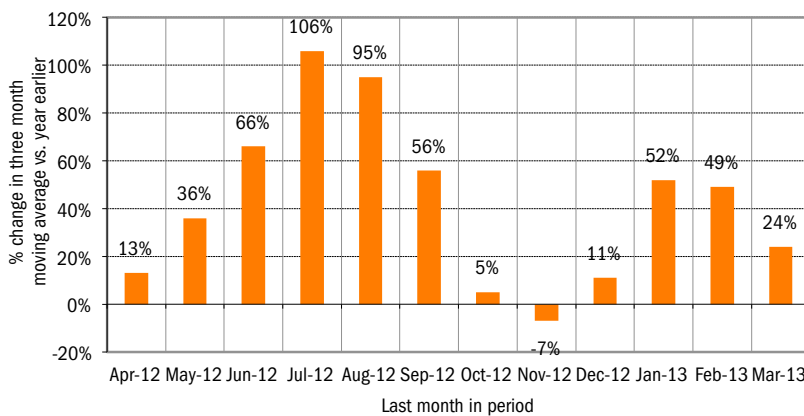
Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru March			YTD Market Share		
	2/12 &	2/13 &	%	2012	2013	%	2012	2013	change
	3/12	3/13	change						
Industry Total	28,210	23,920	-15.2%	41,821	52,033	24.4%			
Cars	10,685	9,942	-7.0%	15,908	20,666	29.9%	38.0	39.7	1.7
Light Trucks	17,525	13,978	-20.2%	25,913	31,367	21.0%	62.0	60.3	-1.7
Japanese Brands	8,234	7,710	-6.4%	12,446	16,339	31.3%	29.8	31.4	1.6
Toyota	2,962	2,884	-2.6%	4,390	6,227	41.8%	10.5	12.0	1.5
Honda	2,306	2,057	-10.8%	3,554	4,214	18.6%	8.5	8.1	-0.4
Nissan	1,519	1,192	-21.5%	2,295	2,529	10.2%	5.5	4.9	-0.6
Other	1,447	1,577	9.0%	2,207	3,369	52.7%	5.3	6.5	1.2
Domestic Brands	15,678	12,992	-17.1%	22,906	28,500	24.4%	54.8	54.8	0.0
General Motors	6,799	5,839	-14.1%	9,715	12,497	28.6%	23.2	24.0	0.8
Ford	5,745	4,641	-19.2%	8,590	10,379	20.8%	20.5	19.9	-0.6
Chrysler	3,134	2,512	-19.8%	4,601	5,624	22.2%	11.0	10.8	-0.2
European Brands	2,107	1,536	-27.1%	3,211	3,385	5.4%	7.7	6.5	-1.2
Volkswagen	1,071	680	-36.5%	1,694	1,636	-3.4%	4.1	3.1	-1.0
BMW	403	453	12.4%	623	770	23.6%	1.5	1.5	0.0
Mercedes	380	226	-40.5%	506	577	14.0%	1.2	1.1	-0.1
Other	253	177	-30.0%	388	402	3.6%	0.9	0.8	-0.1
Korean Brands	2,191	1,682	-23.2%	3,258	3,809	16.9%	7.8	7.3	-0.5

Brands included above: Domestic Brands: GM (Buick, Cadillac, Chevrolet, and GMC), Ford (Ford and Lincoln), Chrysler (Chrysler, Dodge, and Jeep). Japanese: Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Nissan (Nissan and Infiniti), Other (Mazda, Mitsubishi, Subaru, and Suzuki). European: VW (Audi, Bentley, and Volkswagen), BMW (BMW, Rolls Royce, and MINI), MB (Mercedes Benz), Other (Aston Martin, Ferrari, Fiat, Jaguar, Land Rover, Lotus, Maserati, and Volvo). Korean: Hyundai and Kia.

Data Source: AutoCount data from Experian Automotive.

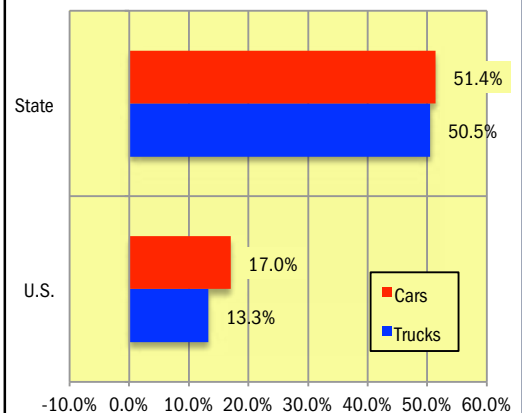
Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies.

Data Source: AutoCount data from Experian Automotive.

Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '13 thru Feb. vs. YTD '12



The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. **Note: percent change is for YTD 2013 thru February vs. YTD 2012. Final U.S. figures for March 2013 were not available.**

Data Source: AutoCount data from Experian Automotive

Data Information

All data represents new vehicle retail registrations in Minnesota and excludes fleet and wholesale transactions. Monthly recording of registrations occurs when the data is processed by the DVS. Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays by governmental agencies. Data Source: AutoCount data from Experian Automotive.

Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD '12 thru Mar	YTD '13 thru Mar	% change	YTD '12 thru Mar	YTD '13 thru Mar
TOTAL	41,821	52,033	24%		
Acura	236	320	36%	0.6%	0.6%
Audi	344	336	-2%	0.8%	0.6%
BMW	490	641	31%	1.2%	1.2%
Buick	741	1,066	44%	1.8%	2.0%
Cadillac	306	447	46%	0.7%	0.9%
Chevrolet	7,056	8,851	25%	16.9%	17.0%
Chrysler	1,022	1,048	3%	2.4%	2.0%
Dodge	1,147	1,748	52%	2.7%	3.4%
Fiat	45	83	84%	0.1%	0.2%
Ford	8,327	10,056	21%	19.9%	19.3%
GMC	1,612	2,133	32%	3.9%	4.1%
Honda	3,318	3,894	17%	7.9%	7.5%
Hyundai	1,537	1,817	18%	3.7%	3.5%
Infiniti	193	259	34%	0.5%	0.5%
Jaguar	9	5	-44%	0.0%	0.0%
Jeep	1,411	1,419	1%	3.4%	2.7%
Kia	1,721	1,992	16%	4.1%	3.8%
Land Rover	95	132	39%	0.2%	0.3%
Lexus	386	505	31%	0.9%	1.0%
Lincoln	263	323	23%	0.6%	0.6%
Mazda	635	947	49%	1.5%	1.8%
Mercedes	502	572	14%	1.2%	1.1%
MINI	133	129	-3%	0.3%	0.2%
Mitsubishi	149	194	30%	0.4%	0.4%
Nissan	2,102	2,270	8%	5.0%	4.4%
Porsche	37	36	-3%	0.1%	0.1%
Ram	1,021	1,409	38%	2.4%	2.7%
smart	4	5	25%	0.0%	0.0%
Subaru	1,354	2,127	57%	3.2%	4.1%
Suzuki	69	101	46%	0.2%	0.2%
Toyota/Scion	4,004	5,722	43%	9.6%	11.0%
Volkswagen	1,347	1,297	-4%	3.2%	2.5%
Volvo	175	143	-18%	0.4%	0.3%
Other	30	6	-80%	0.1%	0.0%

Top ten ranked brands in each percent change category are shaded green.

Data Source: AutoCount data from Experian Automotive.

WHO ARE MY TOP COMPETITORS?
-BY MARKET AREA-

WHAT NEW AND USED CARS SELL WELL IN MY MARKETS?

ANSWERS DRIVE RESULTS.

You need insights into your marketplace to make the best decisions to maximize profits. The AutoCount® Dealer Report analyzes full details on new and used competitive dealer market share, down to specific areas you define. You bring the questions. We'll bring the answers.

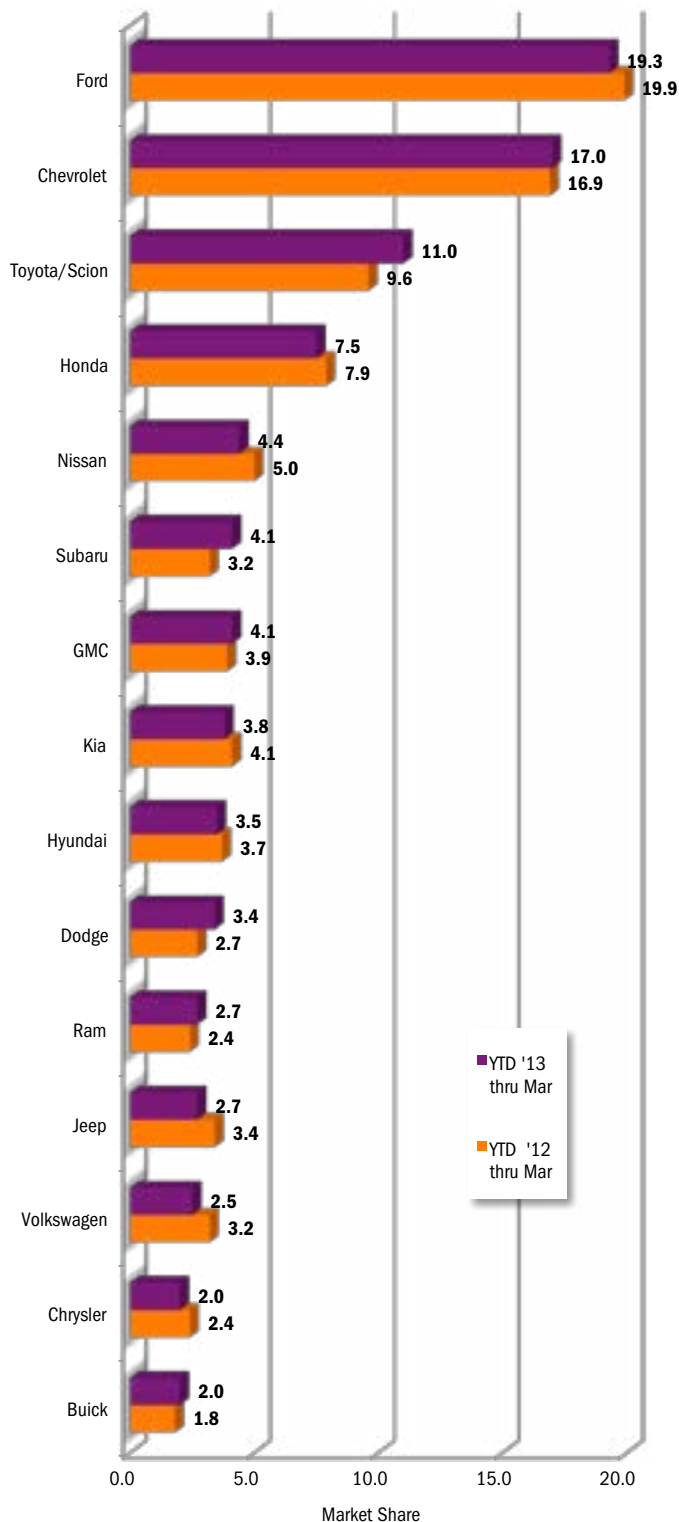
Experian Automotive

Experian Automotive is the data provider for Auto Outlook.

This report is sponsored by the Minnesota Automobile Dealers Association (651-291-2400) and produced by Auto Outlook (800-206-0102).

Auto Outlook, Inc. is not responsible for management decisions based on the content of Minnesota Auto Outlook. Copyright Auto Outlook, April 2013

State Market Share for Top 15 Selling Brands
YTD '13 thru March vs. YTD '12



Data Source: AutoCount data from Experian Automotive.



Minnesota Automobile Dealers Association

Endorsed Service & Vendors

Computerized Vehicle Registration

CVR

F&I Products

Protective

Dealership Marketing

Visible Customer

Group Health Insurance

Blue Cross Blue Shield of MN

Delta Dental

ReliaStar Life

Workers Compensation

Ensure Agency

Midwest Family Mutual

Dealer Bond Program

Ensure Agency

Collections

Springer Collections

Check Guarantee/Credit Card Processing

FIS / Certegy

Disability Income Insurance & Section 125

Cafeteria Plans

American Fidelity Assurance

OSHA, EPA & DOT Compliance/Training

ComplyNet Corporation

Fleet Fueling Program

SuperAmerica

Office Supplies

S & T Office Products

Uniforms and Linen Services

AmeriPride Linen & Apparel

Services

Hole-In-One Insurance

Hole-In-One-USA

Pre-Paid Legal, Jim Gavin

Identity Theft Shield &

Pre-Paid Legal Services



MADA Services sells a wide variety of products directly to the dealers including business forms, clothing and promotional items. For a full review of options, contact your sales representative at 651-291-2400 or go to www.mada.org

Member News

Tom Heffernan Ford, Inc. in Lake City celebrated 40 years in business by inviting the community to an open house on May 10th. Congratulations!



FAQ

Q: We sell a few maintenance contracts to our vehicle purchasers. We've had our head in the sand about the new up-front sales tax requirement but have now decided that we had better start collecting tax. Is it permissible for us to treat taxable maintenance contracts as we do rustproofing -- add the charge to the vehicle purchase price, collect and remit tax to the Deputy Registrar?

A: No. The Department of Revenue has taken the unfortunate position that taxable prepaid maintenance contracts are subject to the General Sales Tax - not Motor Vehicle Sales Tax. It doesn't matter whether the prepaid maintenance contract is sold as part of the vehicle transaction or sold outside the deal. The Department distinguishes rustproofing and sealants, where the product is physically attached to the vehicle at the time of sale. Note that service contract premiums continue to be sales tax free when sold.

Collision Update



The 10-year decline in repair facilities across the U.S. has turned the corner following average losses of 350 shops per year since 2002. According to CollisionWeek, the Department of Labor's Bureau of Labor Statistics announced that the number of repair facilities in the country actually increased by about 402 shops in the first three quarters of 2012. Three quarters' results don't make a turnaround, any more than three swallows can finally make a Minnesota summer. But the reversal is encouraging.

	Class Options	Circle preferred date	Location
The Certified Title & Registration Program	Sales Tax 9:00 am - 10:00 am \$99	July 9 2013 or Sep. 10, 2013 or Nov. 12, 2013	Doubletree by Hilton - Park Place
	New to Fleet 10:30 am - 12:30 pm \$99	July 9 2013 or Sep. 10, 2013 or Nov. 12, 2013	1500 Park Place Blvd Minneapolis, MN 55416 651-789-2950
	Minnesota Titles and Transfers 1 pm - 3 pm \$99	July 9 2013 or Sep. 10, 2013 or Nov. 12, 2013	Registration includes lunch

	Class Options	Circle preferred date	Location
Title Basics	Title Basics –Minneapolis 1:00 p.m. - 4:00 p.m. \$199	June 19, 2013	Doubletree by Hilton - Park Place
	Title Basics –Nisswa 1:00 p.m. - 4:00 p.m. \$199	July 16, 2013	Grand View Lodge

	Class Options	Circle preferred date	Location
Sales Tax Roundtable Program	Sales Tax Roundtable- Roseville 11:30 a.m. - 3:00 p.m. \$229; \$199 for 1+	May 23, 2013	Roseville Radisson 2540 Cleveland Ave N.
	Sales Tax Live Webcast 11:30 a.m. - 3:00 p.m. \$229; \$199 for 1+	May 23, 2013	At your desk by conference call
	Sales Tax Roundtable- Brainerd 11:30 a.m. - 3:00 p.m. \$229; \$199 for 1+	June 6, 2013	Grand View Lodge Nisswa, MN

Name _____
Name _____
Dealership _____
Phone _____ E-mail _____