



CATA Bulletin

DRIVE **CHICAGO** .COM
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‘Vitality Report’ on Page 4

The seminannual roll call of dealers in the eight-county area of the Chicago Automobile Trade Association and the car lines they handle appears on Page 4 of this newsletter.

Estate tax phaseout underway—till 2011

The exemption threshold from the federal estate tax, effective Jan. 1, 2002, is \$1 million, a level that removes the tax burden from more than 50 percent of those whose estates formerly would be subject to the tax.

The exemption threshold rises gradually to \$3.5 million by 2009, then the tax is eliminated in 2010.

However, as the 2001 law is written, the estate tax will be reinstated in 2011, when estates valued at more than \$1 million will again be subject to the hefty tax.

The provision was written to keep the bill within budget limits.

That means if a wealthy parent dies in 2010, her children can inherit an unlimited amount tax-free, but if she dies in 2011, they’ll be taxed.

Help promote the show!

Materials coming for 2002, auto show

All members of the Chicago Automobile Trade Association in good standing will receive materials this week to help them get through the coming year and to help publicize the Chicago Auto Show, Feb. 8-17 at McCormick Place. It’s your show; please promote it.

Packages sent via United Parcel Service to dealer principals and company presidents include the following:

- 1 CATA-member 2002 window decal;
 - 1 three-ring 2002 CATA Bulletin binder; and
 - 1 form to photocopy to order free supplies of odometer statements, used-car buyer’s guides, used-car limited
- SEE MATERIALS, PAGE 2

CATA office closed Feb. 1-17 for auto show

The offices of the Chicago Automobile Trade Association will close in Oakbrook Terrace Jan. 31 and not reopen till Feb. 18.

Far from taking a two-week cruise, the CATA staff will be relocated to McCormick Place to produce the 2002 Chicago Auto Show.

Because the CATA office will be closed, association members must make the following adjustments:

- Dealership personnel responsible for securing any forms provided by the CATA—odometer statements, used-car buyer’s guides, used-car limited war-

CATA membership dues up-to-date?

A nice chunk of free and discounted tickets to attend next month’s Chicago Auto Show will be sent shortly to CATA members whose memberships are in good standing.

Like seemingly every other benefit offered by the association, the value far exceeds the \$200 annual membership dues.

Have a question about what all of those benefits are? Call the CATA staff at 630-495-2282. They’d be happy to identify them.

ranty statements and emission control equipment statements—must place orders by Jan. 29 to ensure the orders can be processed by Jan. 31. Don’t be caught with an empty supply shelf.

- Responses to faxed requests for license plate information will not be possible. For information in the interim, contact the Illinois Secretary of State’s dealer inquiry service at 217-782-6877.

- Meeting rooms at the CATA will be inaccessible during February.

Calls to the CATA office will automatically be forwarded to the CATA staff at McCormick Place.

Tips to retaining key employees

Even in today's not-so-tight labor market, employers can address the concern of retaining good employees by asking their employees, "What makes for a good place to work?"

A study by the Gallop Corporation found the top employee responses to be:

- Having the opportunity to do what I do best.
- Having the sense that someone cares about me.
- Knowing what's expected of me.
- Getting recognition for what I do.
- Having opportunities to learn and grow.
- Being productive.

A common thread runs through the responses: effective performance management.

Managers do not intentionally ignore an employee's need for recognition and professional development. Usually absent are both a system for accountability for ensuring that employees understand expectations, receive feedback about their performances, receive recognition for good performance, and have a plan for professional growth and development.

Increased salaries, benefits and incentive programs are appreciated, but most organizations have limited resources and should focus on areas that will have the most impact on retaining employees.



Materials

CONTINUED FROM PAGE 1

warranty statements, and emission control equipment statements.

Also, to promote the 2002 Chicago Auto Show, the shipment includes:

- 4 Chicago Auto Show easel cards;
- 2 Chicago Auto Show posters;
- 1 First Look for Charity poster;
- 2 CATA member tickets good for admission throughout the auto show;
- 50 Employee Appreciation Day admission tickets, good Feb. 8 and 11; and
- 150 discounted admission tickets to offer to customers.

Don't forget to **purchase** additional admission tickets to the auto show as well as any First Look for Charity tickets that may traditionally have been supplied by functioning dealer line groups and ad associations.

Any member in good standing who does not receive the UPS shipment by Jan. 18 should notify the CATA. The shipments are trackable, to help resolve problems.

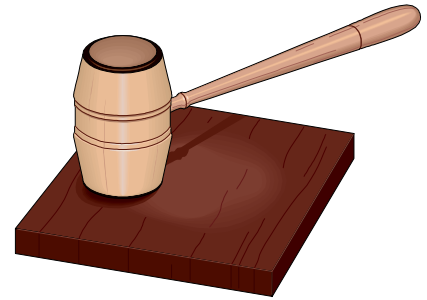
Auto show ACE judges needed

Dealers and their general managers and sales managers will be solicited in the next week to participate as judges in the Chicago Auto Show's Award for Customer Excellence program.

The ACE judges evaluate salespeople at all vehicle exhibits and recommend the top salespeople for \$100 cash prizes.

The incognito judges consider (1) the salesperson's initial impact, such as attitude, personality and interest in the customer; (2) courtesy, such as asking the prospect's name and referring the prospect to a convenient dealership; (3) the sales presentation itself; and (4) the overall impression made. The prize can be won by only one salesperson a day at each exhibit.

All judges will be given a gift for their participation. To serve as a judge, call the CATA's Erik Higgins, or watch for the form in this week's mail.



NADA's PSA airs on NFL games

A public service announcement that promotes a positive image of U.S. new-car dealers appeared the past two weeks on National Football League games broadcast on television.

The 30-second PSA, which was produced by the National Automobile Dealers Association, aired on all NFL game broadcasts over the weekends of Dec. 29-30 and Jan. 5-6.

The NADA consented to switch the dates of its annual convention so that the NFL Super Bowl could be held Feb. 3 in New Orleans. The NADA convention is Jan. 26-29.

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The CATA Bulletin is published and mailed every other Friday except during the Chicago Auto Show, when it is not published.

Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full résumé to the Editor.

Review past editions at <http://cata.drivechicago.com/>

Jerry H. Cizek III President, Publisher
Erik K. Higgins Editor, Director of Dealer Affairs

Written notice due Jan. 31 to Form 8300 customers

Don't forget, in assembling year-end paperwork, that a Jan. 31 deadline looms regarding Form 8300, the Internal Revenue Service document used for sales transactions involving cash payments over \$10,000. Form 8300 commonly is referred to as "the \$10,000 cash reporting rule."

No law prohibits a merchant from taking cash, but any sum of \$10,000 or more must be reported. A lump sum exceeding \$10,000, or installment payments that cause the total cash received within one year of the initial payment to total more than \$10,000, dictate that Form 8300 must be filed.

However, a cashier's check, bank draft, traveler's check, or money order is not treated as cash if the funds are the proceeds from a bank loan. For instance, a customer pays for an \$11,500

Cash reporting requirements likely to change

Changes are forthcoming—perhaps by late April—in the Internal Revenue Service's cash-reporting requirements. The changes stem from a new law passed last autumn to combat counterfeiting, smuggling and money-laundering.

Under the new legislation, the USA Patriot Act, the requirements to report certain cash transactions shift from the Internal Revenue Code to the Bank Secrecy Act. The shift thereby removes IRS disclosure protection and allows law enforcement agencies to share the reported information.

Until the U.S. Treasury Department issues further guidance on the new law, dealers should continue to file Form 8300 with the IRS when they receive more than \$10,000 in cash.

vehicle using \$2,000 of U.S. currency and a cashier's check for \$9,500 payable to the customer and the dealership. That it is a cashier's check is obvious because the note includes instructions to have a lien put on the car as security for the loan.

For this reason, the cashier's check is not treated as cash. A Form 8300 would not have to be filed in the transaction.

As a merchant, any dealer who filed a Form 8300 with the IRS in 2001 must notify the related customer in writ-

ing by Jan. 31. On-the-spot notification does not relieve merchants of the written obligation.

All Form 8300 correspondence between dealers, customers and the IRS should be documented using certified mail.

A written statement to a customer can be as simple as: "Dear Customer: We are required by the Internal Revenue Service to report all transactions involving more than \$10,000 in cash and 'cash equivalents,' under the provisions of 26 U.S.C. 60501.

"We filed Form 8300 with the IRS on (date, 2001), indicating that you gave us \$(amount) in connection with your purchase of a (make, model, year, VIN). Sincerely, . . ."

A dealer's legal advisor should review the exact wording of the notification.

Required EPA fuel economy guides are available on the Internet

An electronic version of the Fuel Economy Guide is available at www.fueleconomy.gov, the fuel economy Web site of the Environmental Protection Agency and the Department of Energy.

The EPA requires that the Fuel Economy Guide, which is updated and distributed to auto dealers each autumn for the new model year, is "prominently displayed at each location where new automobiles are offered for sale." Customers must be given paper copies.

However, officials of the EPA said they think many customers would prefer to obtain the guide on-line. To that end, they encourage dealerships to

- Allow customers to use a dealership computer to access the guide at www.fueleconomy.gov/ or

- Prominently display the fuel economy Web site on a poster or a stack of cards in the showroom, so that customers can download the guide at home or a public library.

A flyer noting that Web address is

available as a portable document format (pdf) on the Web at www.fueleconomy.gov/feg/dealers.shtml/

Paper copies of the guide are mailed to all dealers each fall. Officials of the EPA believe greater use of the Internet would reduce large printing costs.

Also, the Internet version of the guide is updated periodically with fuel economy information for vehicles that were not available when the paper guide was printed.

Franchised New Car Dealers in the 8-county CATA area as of 1 January 2002

Car Line	Chicago only Ill.	Rest of Cook Cnty. Ill.	Lake Cnty. Ill.	DuPage Cnty. Ill.	McHenry Cnty. Ill.	Kane Cnty. Ill.	Will Cnty. Ill.	Lake Cnty. Ind.	Porter Cnty. Ind.	Total [prior] 7/1/2001	Total [present] 1/1/2002
Acura	0	4	2	3	0	0	0	0	0	9	9
Aston Martin	0	0	1	0	0	0	0	0	0	1	1
Audi	1	3	1	1	0	1	0	1	0	8	8
Bentley	0	1	0	1	0	0	0	0	0	2	2
BMW	1	5	1	3	1	0	0	0	0	11	11
Buick	5	13	5	6	4	1	3	2	2	41	41
Cadillac	1	9	2	2	1	0	1	2	1	20	19
Chevrolet	7	22	8	9	5	5	7	6	2	71	71
Chrysler	7	13	6	3	4	3	3	5	2	49	46
Daewoo	1	4	1	2	2	1	1	2	0	15	14
Dodge	5	15	6	4	3	2	3	4	2	45	44
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Ford	8	22	7	9	4	4	6	5	2	67	67
Honda	4	10	3	2	1	2	1	2	0	25	25
Hummer	0	0	1	1	0	0	0	0	0	2	2
Hyundai	3	7	3	3	0	0	1	1	0	18	18
Infiniti	1	3	1	1	0	0	0	0	0	6	6
Isuzu	0	7	1	1	1	1	1	2	0	16	14
Jaguar	1	3	1	1	0	0	0	1	0	7	7
Jeep	7	13	4	3	3	3	3	5	2	44	43
Kia	2	6	2	4	2	1	1	2	0	19	20
Lamborghini	0	0	0	1	0	0	0	0	0	1	1
Land Rover	0	2	2	1	0	0	0	0	0	5	5
Lexus	1	4	1	2	0	0	0	0	0	8	8
Lincoln	2	12	5	4	1	2	2	2	1	32	31
Lotus	0	0	0	2	0	0	0	0	0	2	2
Mazda	1	7	3	2	1	1	1	1	0	17	17
Mercedes Benz	1	5	1	2	0	0	0	1	0	10	10
Mercury	2	12	6	4	2	2	3	2	2	36	35
Mitsubishi	1	6	1	2	1	0	1	1	0	13	13
Nissan	3	12	3	4	1	1	2	2	1	29	29
Oldsmobile	1	10	4	1	4	2	4	2	1	34	29
Panoz	0	0	1	1	0	0	0	0	0	2	2
Plymouth	0	0	0	0	0	0	0	0	0	49	0
Pontiac	4	13	5	4	3	2	2	4	2	38	39
Porsche	1	2	1	1	0	0	0	0	0	5	5
Rolls-Royce	0	1	0	1	0	0	0	0	0	2	2
Saab	1	4	1	1	0	0	0	0	0	7	7
Saturn	1	6	2	2	0	2	1	1	0	15	15
Subaru	1	7	2	1	1	1	1	1	0	15	15
Suzuki	0	5	1	2	0	0	1	1	0	10	10
Toyota	4	12	2	4	1	1	1	2	1	28	28
Volkswagen	2	9	3	2	1	1	1	1	0	20	20
Volvo	1	4	3	1	0	0	1	1	0	11	11
# of Car lines	81	293	104	105	47	39	52	62	21	868	804
# of Outlets	62	227	77	82	28	26	29	43	13	597	587

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line. The decrease in the number of car lines this period largely is attributed to the removal of 49 Plymouth dealerships.