Taxes going up, but Cook vehicles partly spared

Sales tax rates increase April 1 in the six Illinois counties in and nearest to Chicago, and again Nov. 1 in Cook County. But only the April 1 increase impacts vehicle sales.

State lawmakers awarded an additional quarter-cent per dollar tax in Cook County and twice that in the five collar counties to fund Chicago’s ailing mass transit system. Taxes for the Regional Transportation Authority affect the rates charged for vehicles and other items that must be titled and registered.

The new rates, effective April 1, appear on Page 3.

But the 1 percent sales tax increase approved Feb. 29 to avert a Cook County government shutdown applies only to purchases of general merchandise, not vehicles.

Dealers in Cook County also were spared from a new $100 flat tax that county commissioners discussed assessing on new and used vehiclesretailed in the county, a move that would have placed Cook dealers at a competitive disadvantage with dealers in the rest of Illinois.

Cook County faced a projected $234 million budget deficit on the fiscal year that began Jan. 1. Tax increases on other items still are being considered.

The Illinois Revenue Department recognizes distinct tax rates for general merchandise; for vehicles; and for qualifying food, drugs and medical appliances. In many of the state’s 102 counties, the rate for general merchandise and vehicles is the same. But the rates are different in some.

Area man on car theft spree?

A McHenry dealer filed theft charges Feb. 26 against man who took spot delivery of a new vehicle but never returned to complete the paperwork. The dealer warned other dealers that the man appears to be on a spree that could victimize them too.

The CATA first reported the matter in a Feb. 27 broadcast fax to member dealers.

Adam Sochacz, 53, of suburban Summit reportedly has stolen three motorcycles in the same fashion since his Feb. 14 theft of an SUV worth more than $40,000.

The McHenry dealer said Sochacz’s credit score exceeded 670, but it has decreased since Sochacz initiated multiple credit reports at dealerships from McHenry to Orland Hills. Sochacz said he would revisit the McHenry dealer with proof of his income, but he never returned.

Sochacz reportedly speaks with a Polish accent. The dealer said he feared the stolen vehicles are being shipped out of the country.

Free vehicle history reports via DriveChicago.com

DriveChicago.com and Experian Automotive have joined to offer free AutoCheck vehicle history reports for every used vehicle listed on DriveChicago.com. The free promotion runs to March 28 and allows DriveChicago visitors to view the vehicle history report for any vehicle listed on the portal.

“Thanks to our partnership with the Chicago Auto Show, DriveChicago.com is building on a fantastic increase in Web traffic. We now hope to convert the increased traffic into sales with the help of the free AutoCheck promotion,” said Mark Bilek, general manager of DriveChicago.

“Auto dealers,” said Scott Waldron, president of Experian Automotive, “need an innovative vehicle history report that is easy to explain and understand while managing risk and increasing confidence though all phases of the used vehicle selling cycle.

“The AutoCheck Score is a revolutionary step in our continued efforts to provide dealers and their customers with access to the information they need to make their best decisions.”

Dealers should expect to see increased vehicle-detail leads from DriveChicago.com during the promotion period. Consumers likely will have viewed the history report.

See Taxes, Page 3

See History reports, Page 4
FTC’s ID theft ‘best practices’ workshop in Chicago April 15

Most companies maintain sensitive personal information—names, Social Security numbers, credit card numbers and other account data—in files that identify customers or employees. But sensitive data in the wrong hands can lead to fraud or identity theft.

Given the cost of a security breach—losing a customer’s trust and perhaps even being named a defendant in a lawsuit—safeguarding personal information is just plain good for business.

The Federal Trade Commission, the International Association of Privacy Professionals, and Northwestern University School of Law will co-host a free workshop at 9 a.m. April 15 on how businesses can secure the personal information of consumers and employees.

“Protecting Personal Information: Best Practices for Business” will feature businesspeople, attorneys, government officials, privacy officers, and other experts who will provide practical guidance for businesses of all sizes on data security, best practices for developing an appropriate data security program, and how to respond to security problems, including data breaches.

The workshop will be in the Thorne Auditorium of the Arthur Rubloff Building on the Chicago campus of the Northwestern University School of Law. Onsite registration begins at 8 a.m.; advance registration can be completed on the workshop Web page, www.ftc.gov/bcp/workshops/infosecurity/index.shtml.

As part of its business education program, the FTC has information to help businesses forge their own data security plans, including an online tutorial, a booklet, and a series of articles suitable for reprinting in print or electronic newsletters. All are available at www.ftc.gov/infosecurity.

Congratulations!

Ford Motor Co. honored 12 dealer principals, including Joe Cotton Ford (Carol Stream) father-and-son team Joe and Paul Cotton, for their dedication to the communities where they work and live. The dozen honorees of Ford’s 2008 Salute to Dealers award were chosen from more than 6,000 U.S. and Canadian dealers. The Cottons contribute to area schools, police programs and churches, notably by the Christmas Sharing program hosted annually at the dealership.

Virko Tammaru, a service consultant at Bill Jacobs Volkswagen, was named 2007 U.S. Champion of the Volkswagen Service Qualification World Championship.

DEAC donates $5,000 to Oberweis

Jim Oberweis (second from right) accepts a $5,000 campaign donation Feb. 27 from the Dealers Election Action Committee, which raises donations from NADA members. Presenting the donation are (from left) CATA President Jerry Cizek, Metro Chicago NADA Director Ray Scarpelli Sr., and CATA Chairman Mark Scarpelli.

Since 1975, DEAC has contributed more than $24 million to the campaigns of pro-business, pro-dealer congressional candidates. Oberweis, who lives in Sugar Grove, faced Democrat Bill Foster in a March 8 election to fill the seat vacated by Rep. Dennis Hastert.


Résumés of both candidates on file at the CATA.
NADA: April is national Automotive Career Month

Dealers across the country will host career events for students in April, as part of the NADA’s Automotive Career Month.

Nearly 109,000 positions are unfilled at new-car dealerships nationwide, according to a 2007 survey by Harris Interactive, sponsored by the industry coalition Automotive Retailing Today.

Dealers interested in hosting a career event can download an event planning kit from the NADA Web site, www.nada.org, or call 800-248-6232 ext. 7147.

Each planning kit contains sample letters to school principals, guidance counselors, local media etc.; sample event agenda; two ACM posters with room for specific dealership information (more can be ordered); student brochure sample (quantities can be ordered); and a press release and scripts for public service announcements.

“Behind-the-scene” tours of new-car dealerships can be given to young adults in their communities, to show how the business operation works in all areas. Visitors also will have an opportunity to interact directly with dealership employees and view a new video on auto careers.

Family and Medical Leave Act changed

Changes to a defense appropriations bill approved by President Bush amend the Family and Medical Leave Act of 1993 (FMLA).

Effective immediately, the amendment permits an eligible employee:

1. Who is the “spouse, son, daughter, parent, or next of kin of a covered service member” to take up to 26 work weeks of leave to care for a “member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness.”

2. To take FMLA leave because of “any qualifying exigency (as the Secretary shall, by regulation, determine) arising out of the fact that the spouse, or a son, daughter, or parent of the employee is on active duty (or has been notified of an impending call or order to active duty) in the Armed Forces in support of a contingency operation.”

The Department of Labor will issue comprehensive guidance soon regarding rights and responsibilities under the amended FMLA.

The NADA has produced a new career DVD, “Take the Ride of Your Life: Great Careers in New-car Dealerships.” Dealers can buy the DVD for $19.95 plus shipping and handling from NADA Management Education at 703-821-7227.

Taxes

Continued from Page 1

The RTA tax rate is recorded on Line 4 of the revenue department’s Form ST-556. In Cook County, the new rate is 1.0 percent. In DuPage, Kane, Lake, McHenry and Will counties, the new rate is 0.75 percent. Forms printed after April 1 will reflect the new rates. In the meantime, dealers will have to amend their pre-printed forms.

The Cook County Board more than doubled the county general sales tax—to 1.75 percent from 0.75 percent—on most things purchased in the county. Effective Nov. 1, it raises the tax on general merchandise to 9.25 percent in suburban Cook and to 10.25 percent in Chicago—or 41 cents in taxes on a $4 cup of specialty coffee. That gives Chicago the dubious honor of having the highest general sales tax of any major U.S. city.

<table>
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<th>Tax</th>
<th>Chicago</th>
<th>Cook</th>
<th>Lake</th>
<th>DuPage</th>
<th>McHenry</th>
<th>Kane</th>
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<tr>
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</tbody>
</table>
Pounding the pavement to buy a car

Some products lend themselves to online sales—books, computers and toys come to mind. But cars are a tougher sell.

Most consumers still head to the lot to seal the deal. According to The New York Times, direct sales of new cars over the Internet will increase from 100,000 in 2007 to just 300,000 in 2012, when they will represent only 1.7 percent of all new cars sold.

On the other hand, the number of consumers who use the Internet to contact a dealer for more information (that then results in a sale) will rise to 7.7 million from 5.1 million over the same period.

The online outlook for financing and insurance is sunny. The firm Jupiter Research forecast this month that direct auto financing over the Web will rise to more than $19 billion in 2012 from $13 billion in 2007, and direct online auto insurance sales will climb to $11.7 billion from $6.6 billion.

History reports

Continued from Page 1

ports for particular vehicles and are better prepared to commence negotiations for them.

DriveChicago.com is a free service provided to all CATA dealer members, and only to CATA dealer members. It lists dealer inventory at no charge, generates e-mail leads, and drives showroom traffic to CATA dealerships.

Inventory totals exceed 100,000 new and used vehicles, following a January official re-launch of the portal.

For more information about DriveChicago.com, call Bilek at 630-424-6082.

CATA-IADA 2008 Convention agenda, April 2-6 at Westin Kierland (Ariz.) Resort & Spa

Wednesday, April 2

1-4 p.m. Welcome to Arizona Registration Check-in Reception
6:30–9 p.m. “Southwest Native Spirit Night Reception”

Thursday, April 3

8 a.m. General Business Session-CATA & IADA Officer Recognition Breakfast
Speaker: Annette Sykora, NADA Chairman
9:30 a.m. CATA Board of Directors Meeting, Sitgreaves Suite
Illinois/Iowa Ford Dealer Advertising Fund, Greenway Room
Kierland Golf Club 4-Person Captain’s Choice Golf Tournament.
Tee times 12:12:50 p.m. Advance registration required.
1-6 p.m. CATA Hospitality Room, Sitgreaves Suite
7-10:30 p.m. CATA Board of Directors Dinner: “deseo” - Westin Kierland Resort

Friday, April 4

8 a.m. IADA Board of Director Breakfast Meeting
1-6 p.m. CATA Hospitality Room, Sitgreaves Suite
6:30-10 p.m. Southwestern Coyote Casino Night, Marshall’s Outpost Pavilion

Saturday, April 5

Kierland Golf Club AM Low Net/Low Gross Men & Women’s Golf Outing
Tee Times 7:50-8:50 a.m.
Open Day Enjoy the beautiful surroundings of the Westin Kierland Resort & Spa
1-6 p.m. CATA Hospitality Room, Sitgreaves Suite
9-11 p.m. IADA & CATA Chairmen’s Reception & Dessert Party & Awards

Sunday, April 6

Departure Day

Scam alert

Many dealers got what looks like an invoice from R&K Wholesale and Distribution for OSHA training tapes they never ordered. The company denies wrongdoing, suggesting the dealers “misunderstood” the mailing or that the correspondence is a solicitation, not a bill.