



CATA Bulletin

DRIVE **CHICAGO** .COM
official Web site of CATA dealers

a biweekly newsletter

Volume 102, No. 4

February 28, 2005

Bill would change dealer fees again

The annual license fee paid to the Illinois secretary of state would cost up to \$1,500 for new- and used-vehicle dealers based on the number of vehicles a dealer sold during the previous year, according to a bill under consideration in the state House.

If approved, House Bill 280 would allow for one fee for an applicant's established place of business and a lesser fee for each additional place of business.

The legislation is among more than 4,000 bills introduced in Springfield since the General Assembly convened last month.

The annual dealer license fee increased Jan. 1, 2004, from \$100 to \$1,000, to help plug a \$5 billion state budget deficit. According to HB 280, dealers who sold 3,000 or more vehicles the previous year would pay \$1,500 for the applicant's primary place of business and \$750 for each additional place of business.

Dealers who sold 2,000 to 2,999 vehicles the previous year would pay \$1,250 and \$625. For dealers in the 1,500 to 1,999 range, the fees would be \$1,000 and \$500. In the 1,000 to 1,499 range, the fees would be \$750 and \$375. Sales of 500 to 999 vehicles would result in license fees of \$500 and \$250; and dealers who sold 499 or

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Vehicle sales tax exemption ends for Indianans

BY JOSEPH P. ROZNAI, PARTNER
AND BEN GOLDBERG, TAX SENIOR
Michael Silver & Company

The Illinois Department of Revenue this month changed its law that exempts sales tax for any vehicles and trailers sold to nonresidents of the state. An "out-of-state buyer" exemption no longer exists for residents of states that do not give Illinois residents a similar exemption on motor vehicles and trailers.

Effective Feb. 1, those states are Arizona, California, Florida, Hawaii, Indiana, Massachusetts, Michigan, South Carolina and Vermont. Since state laws are subject to change, Illinois will publish any changes made each year on January 1 and July 1.

Before finalizing a vehicle sale to a non-Illinoisan, a dealer must first determine whether the buyer's home state is still exempt under Illinois law. If

the state is no longer exempt, sales tax must be charged to the nonresident using the sales tax rate for his or her resident state. The various state sales tax rates appear on the Illinois Revenue Department's Web site at www.revenue.state.il.us/publications/bulletins/2005/states.pdf

If sales tax must be collected, mark Section 5 Box A of the Form ST-556, and print "out-of-state buyer" and the drive-away permit number or license plate number on the line provided. Also, write the two-letter state abbreviation and complete Lines 1 and 2 of Section 6. Cross through the preprinted tax rate in Section 6 on Line 4 and write the nonresident's state sales tax rate. Use that rate to determine the amount of sales tax to be charged to the customer.

For example, Indiana is one of the states that does not provide a reciprocity agreement with Illinois. SEE SALES TAX, PAGE 4

Dolan honored for TMQDA nomination

Mary Ford Dolan, president of Free-way Ford-Sterling Truck Sales in Lyons, was among 65 dealers nationwide honored as recipients of the Time Magazine Quality Dealer Award, in a Jan. 29 ceremony as part of the annual NADA convention and exposition.

The award recognizes new-car dealers for exceptional performance in their business coupled with distinguished community service.

"The recipients of this prestigious award," said NADA Chairman Charley Smith, "do a lot more than just sell cars and trucks. They work diligently and untiringly to help their communities and their industry and are an inspiration to all of us."

A panel of faculty members from the University of Michigan Graduate School of Business Administration se-

SEE DOLAN, PAGE 4

Expanded Chicago Auto Show wraps with endorsement of multitude

The weather cooperated, and visitors to the country's most-attended auto show gave a resounding thumbs-up to an expanded show floor that made it easier for everyone to maneuver the floor and inspect the vehicles.

Automotive journalists at the two-day Media Preview, preceding the show's opening, buzzed about the new layout across 1.2 million square feet at McCormick Place, which many regard as the country's finest convention center. The media, and the public that followed, were treated to 13 concept- and production-vehicle introductions.

Concept vehicles

Dodge Nitro
Honda Civic Si
Hyundai Portico
International MXT truck

Production vehicles

2006 Buick Lucerne
2006 Cadilla DTS
2006 Dodge Ram Mega Cab
2006 Kia Sedona
2005 Mercedes-Benz S65 AMG
2006 Mercury Mariner Hybrid
2006 Mercury Milan
2006 Mercury Mountaineer
2007 Toyota FJ Cruiser

Fees

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fewer vehicles would face fees of \$250 and \$125.

Other bills before the General Assembly include provisions such as:

- A dealer license shall be suspended or revoked if any costs or fees assessed under the Motor Vehicle Franchise Act remain unpaid for 90 days after any demand for such costs or fees is issued from the Motor Vehicle Review Board;
- An application for a certificate of title must include the applicant's age. If the applicant is under age 18 and is not an emancipated minor, the applicant's parent or guardian must sign a statement consenting to the application;
- An application for a certificate of title must include the vehicle's color at time of acquisition;
- The state's motor vehicle fuel tax would increase Jan. 1, 2006, from 19 cents to 19.1 cents per gallon, with the one-tenth cent increase being deposited into the Energy Independence Fund; and
- A prohibition from operating a motor vehicle that is equipped with any license plate cover (only tinted plastic or glass covers currently are prohibited).

Food drive nets 8.4 tons

Late weekday crowds benefited the Chicago Christian Industrial League by contributing more than 16,800 pounds of canned foods. The CATA extends a \$5 discount off regular adult admission to those who bring three cans of food Wednesday through Friday at the show.

The league is a nonsectarian, nonprofit organization serving the poor and homeless from the entire metropolitan area.

\$25,900 disbursed in ACE awards

Effective salespeople in the displays netted a combined \$25,900 under the Award for Customer Excellence (ACE) program. Salespeople at all vehicle exhibits were evaluated each day by incognito judges who rated the salespeople using various criteria.

Judges considered (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, \$100 cash, can be won by only one salesperson a day at each make's display.

Ten people won the award at least three times during the 10-day show. Len Donnells of Joe Rizza Acura (Orland Park) and Gerardas "Jerry" Skeberdis of Balzekas Jeep (Chicago) each won the award four times.

Three-time winners included Todd Almlblad of Sullivan GMC (Libertyville), Jaime Batallas of Mancari's Dodge of Des Plaines, Irwin De Los Reyes of Mid City Nissan (Chicago), Dan Draganchuk of Steve Foley Cadillac (Northbrook), Sam Gage of Honda of Lisle, Ed Kucic of Napleton Cadillac (Park Ridge), Sean McClowery of Lexus of Westmont, and Amy Watson of Jerry Gleason Chevrolet (Forest Park).

Judges included members of the CATA board of directors and others. Every winner also received a distinctive certificate. Congratulations to all the winners!

The CATA Bulletin is published by the
Chicago Automobile Trade Association

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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 or search by topic at www.cata.info/

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

Recognition

By **RAY SCARPELLI SR.**

METRO CHICAGO NADA DIRECTOR

Part of the NADA's job is to recognize exceptional people in automotive retailing. Another is to recognize the needs of our members. The NADA continues to do both.

At the 2005 NADA Convention and Exposition—one of the best ever—we:

- Recognized our 2004 chairman, **Charley Smith**, for his steady leadership in responding quickly and forcefully to negative reports on dealer financing; in encouraging young people to consider automotive careers; and in continuing to improve the CSI process and the validity of results for dealers, manufacturers and customers.

- Inaugurated 2005 chairman **Jack Kain**, who will focus on increased transparency in the vehicle financing process. Kain warned dealers to expect more controversy, more media attention and more state legislative action in the months ahead. And he will push for more positive dealer recognition, stating, "We dealers do too much for our customers, communities, and for our nation not to be held in higher esteem."

- Applauded the 2005 Time Magazine Quality Dealer Award winner, **Ralph Seekins of Fairbanks, Alaska**, for his contributions.

- Honored **Claude Nolan Cadillac**, Jacksonville, Fla., with a NADA Century Award for 100 years of continuous business.

- Presented awards for achievement and service to the **Dealers Election Action Committee: Outstanding Achievement Award**

for NADA Director, **Jack Tulley**, New Hampshire; Outstanding Achievement award for DEAC State Chairman, **Michael Holley**, Florida; Outstanding Achievement award for ATAE, **Robert Lamp**, North Dakota; Outstanding Service awards: **Ramsay Gillman**, for his service as a DEAC Trustee from 1994-2004 and **Jim Willingham**, for serving as chairman from 2002-2004.

The NADA also recognized the needs of

- **all dealers**, through the introduction of **NADA-24**, the next-day customer loyalty tool that provides immediate feedback to dealerships.

- **NADA members, NADA associates and automotive trade association executives** by allowing direct review and updating of their member information online. At www.nada.org, click on the Member Services tab, then Member Update (member log-in required).

- our **women dealers**, with the first annual Women's Networking Breakfast, held Jan. 29 during the convention. Participants shared strategies, dilemmas, solutions and encouragement.

We also recognize the **need for ongoing training** to improve dealership operations. Available for you now:

- Video, DVD and audio MP3 tape formats of select convention **workshops and general sessions** for in-dealership training from www.PlaybackNow.com.

- Even those who did not attend the convention can take advantage of the **virtual exposition online** through June at www.nada.org/ convention; click on 2005 Exhibition and search by company, product or area and link directly to exhibitor info.

- Two new **Management Education products**: the new workplace orientation video (available on VHS or DVD) and study guide, **Picture Yourself Here: Contributing to a Positive Work Environment**, and the new Management Series bulletin, **Analyzing Your New-Vehicle Sales Operation**, with formulas for determining key sales figures and national averages for comparison, due out later this month. Visit www.nada.org/mecatalog to order.

- The **NADA Vehicle Finance Guide**, which appeared in Time magazine, with additional copies available for your customers from info@nada.org

- Ongoing **technology assistance** through NADA's relationship with The Cobalt Group (visit www.nada.org and click on Technology, then on NADA-endorsed Web Site Packages), and the NADA PC Purchasing program, with special deals from HP and IBM available this month. (Click on Technology, then PC Purchasing.)

We also understand that you want **hard data** to enable you to defend your good name. The industry-wide coalition, **Automotive Retailing Today**, conducts unbiased research that has recently shown dealership customers are satisfied with their own dealership experiences and trust their own dealer, even if they are wary of the industry as a whole. Watch for new ART announcements later this quarter. Go to www.autoretailing.org for the latest news/

I also hope that you recognize the necessity of keeping me informed. Let me know your questions, concerns and compliments so I can better represent you as your NADA director.

First Look for Charity raises \$2.68 million

Nineteen area charities shared in more than \$2.6 million raised by the 2005 Chicago Auto Show's benevolent event, First Look for Charity, and one attendee won the keys to a 2005 Chevrolet Corvette.

The winner, Jack Wood, displayed benevolence of his own by donating the \$57,000 car to charity, to raffle off for additional funds. Wood works for Wellness Place, a Palatine-based cancer support agency that is part of the Cancer Health Alliance of Metropolitan Chicago, one of the evening's 19 benefiting organizations.

The \$2.68 million raised by the Feb. 10 event was a record for the 14-year-old black-tie benefit, which is held the evening before the auto show opens its 10-day public run.

"First Look for Charity is a great

Dealers benefit with multilingual staffs

The percentage of Hispanics and African-Americans employed by dealerships doubled from 1990 to 2004 to nearly 15 percent of the workforce, according to CNW Marketing Research. The percentage of Asian employees was flat.

But the dealers most successful at luring ethnic customers go beyond learning the language.

"It's learning about the culture, values and purchasing preferences of specific ethnic groups," said Marianne McInerney, president of the American International Automobile Dealers Association.

Some dealers are adding aftermarket accessories to tailor cars to young Hispanics. Paying attention to ethnic customers "is a smart thing for anyone selling cars to do," says Lisa Navarrete, spokeswoman for the National Council of La Raza, a Hispanic advocacy group. "It's a growing market."

instrument for the area's new-car dealers to show the positive impact they have on their community," said Casey Wickstrom, chairman of this year's auto show. "All the benefiting charities are involved locally, so the money that's raised in Chicago stays in Chicago."

As the name of the event implies, those who attend First Look for Charity are part of the premier viewing of each year's Chicago Auto Show.

Tickets to the fund-raiser are \$200 each, and purchasers can elect to have their proceeds benefit any or all of the participating charities. For the event, the auto show floor is replete with a variety of food and beverage stations.

A highlight of the evening is the drawing for a new vehicle, the event's grand prize.

Sales tax

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cal exemption to Illinois residents. Therefore, in a sale to an Indiana resident, the dealership must collect sales tax from that customer at a rate of 6 percent. When the customer applies for title in Indiana, his home state will give him credit for the sales tax paid to Illinois.

For more information, refer to the revenue department's Informational Bulletin FY 2005-13, posted at www.revenue.state.il.us/publications/bulletins/2005/Fy200513.pdf, or call the article authors at 847-982-0333.

Dolan

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lected five TMQDA finalists. Ralph Seekins of Fairbanks, Alaska, was named winner of the 2005 award. Dolan earned the nomination of the Chicago Automobile Trade Association.

Dolan's dealership has been Blue Oval-certified for four years and belongs to Ford's BPN Summit Club. She helped to pass the Abandoned Newborn Infant Protection Act in Illinois and participates in Open Door Shelter for troubled teens.

Dolan is active in the Our Lady of Perpetual Help Catholic parish in Glenview and also is on the advisory council to his eminence, Francis Cardinal George. She also was instrumental in adding Catholic Charities of the Archdiocese of Chicago to the list of organizations that benefit from First Look for Charity.

Now in her second year on the CATA board of directors, Dolan is the first woman ever voted onto the board.

Marketplace

Office Manager Strong background in all aspects of accounting. Natural and persuasive communicator, recognized among colleagues for keen ability to energize and inspire individuals to work towards common goal. Linda Bodene, 630-833-1720.

Résumé on file at the CATA.

In Memoriam

Lester "Les" Sander, executive vice president of the Illinois Automobile Dealers Association from 1951 until his 1985 retirement, died Feb. 18 in Springfield. He was 85.

Survivors include sons Pete—who is the current IADA president—Jay and Joel, three grandchildren and one stepgrandson.

Memorials may be made to the NADA Charitable Foundation, 8400 Westpark Dr., McLean, VA 22102. The phone is 800-252-6232 ext. 7102.