

NEWS BULLETIN

Maine Automobile Dealers Association

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DISTRIBUTION

- General Manager
- Office Manager
- Parts Manager
- Sales Manager
- Service Manager

2008-18

RED FLAGS RULE DELAYED, BUT ...

ADDRESS DISCREPANCY REQUIREMENTS REMAIN

In prior communications, MADA and NADA have informed dealerships of the need to develop programs to comply with Federal Trade Commission (FTC) rules on "Red Flags" and "Address Discrepancy" by November 1, 2008. Late last week, the FTC announced a delay until May 1, 2009 in the "Red Flags" rule. However, **the requirements of the "Address Discrepancy" rule are still effective November 1, 2008.**

At MADA's November regional meetings (see following article), we will devote time to steps dealerships should be taking to develop a written compliance program for the "Red Flags" rule. This regional meeting presentation will include sample plans as well as some reference materials which may help a dealership with verifying certain identification documents. Dealerships which have worked on a written "Red Flags" program should continue to evaluate their identity theft risks and the dealership's potential responses to those risks. Please ask questions or mention areas of concern at your Association's regional meeting so that MADA can assist in providing pertinent information.

The remainder of this article is devoted to the separate, but related, "Address Discrepancy" rule. The basic element of this rule is that dealerships must respond to Notices of Address Discrepancy from a national consumer credit reporting agency (CRA) (Experian, Transunion, etc.) when the CRA tells the dealership that there is a substantial difference between the CRA's address records and that listed on the credit application. Since it is unlikely that the financing request can continue without satisfactorily resolving the apparent address discrepancy, dealerships do need to review their records and/or discuss the issue with the customer. Some of the information may be readily available to the dealership from previous sales and service transactions, or from personal knowledge of dealership personnel.

Some answers to apparent address discrepancy might be as simple as a recent change of residence, a transposition of numbers, or the use of "Street" versus "Avenue". More complicated instances may involve seasonal visitors using their seasonal address. MADA will be discussing this rule at our November regional meetings.

NADA distributed, in mid-August, a management guide to assist dealerships in understanding their obligations as well as in developing a written compliance program. If you have difficulty locating that management guide (a copy of the cover is enclosed with this bulletin), you can purchase a guide at www.nada.org/mecatalog.

NOVEMBER 4 IS ELECTION DAY - ENCOURAGE ALL TO VOTE

Next Tuesday, November 4, is Election Day for U.S. President, Congressional offices, Maine's Legislature, and various referendum questions. Regardless of any person's perspective on any office or issue, these elections will help decide the direction of government for at least the next two years. Every vote is important. Please vote and encourage your employees to exercise their right to vote on November 4.

REGIONAL MEETINGS SCHEDULED

Your Association's Safety Directors/Environmental Compliance workshops and Fall series of regional meetings have been scheduled for November 12, 13, 18 and 20 at the sites and times listed below. These workshops and regional meetings are important for your dealership, and for MADA, because they help focus future educational and legislative efforts on behalf of the membership.

An announcement letter and registration form has already been mailed to all dealerships regarding the Association's Safety Directors/Environmental Compliance Workshop. The Environmental Compliance Workbook (each dealership should have the existing version in a navy blue 3-ring binder) has been completely reviewed and updated to summarize dealership requirements under federal and state law and regulation. Every dealership in attendance at the November environmental compliance workshop will be provided the replacement edition at no charge. Dealerships which do not attend will be charged \$195 for a revised workbook. The Safety Directors/Environmental Compliance workshops are scheduled as follows:

Bangor-Wednesday-November 12, 9:00 a.m. - Bangor Motor Inn, Hogan Road
Presque Isle-Thursday-November 13, 9:00 a.m. - Northeastland Hotel
Augusta-Tuesday-November 18, 9:00 a.m. - Augusta Civic Center, I-95 Exit 112
Portland-Thursday-November 20, 9:00 a.m. - Holiday Inn West, Turnpike Exit 48

MADA's regular Fall regional meetings have also been scheduled. These meetings begin at 3:30 p.m. at the same locations shown above. Some of the subjects to be discussed at these regional meetings include: credit availability for both dealerships and customers, sales tax issues, red flags and address discrepancy rules, new dealer plate rules effective January 1, sales to non-U.S. residents, dealer license renewals for 2009, Dirigo Health tax, future Workers Compensation and Health Insurance plans, Maine's new Legislature. MADA will be inviting all elected members of the 2009 Maine Legislature to visit at the end of the meeting and for the social time afterwards.

An announcement letter and registration form for the Fall Regional Meetings will be mailed to you early next week.

MAINE REVENUE SERVICE TO HOLD SALES TAX SYMPOSIUMS

The enclosed notice from the Sales & Use Tax Division of Maine Revenue Services outlines their annual Sales Tax Symposium. The focus at this year's workshop is on vehicles, so dealerships may have a particular interest. Please note that there is a specific registration form required to be sent to MRS at least two weeks prior to a person's attendance.

Driven

150

NADA MANAGEMENT SERIES

A DEALER GUIDE TO THE

FTC Red Flags and Address Discrepancy Rules: Protecting Against Identity Theft



Sales Tax Symposiums

November 2008

Dates, Times & Locations
Cost & Registration Information

Format

Who Should Attend

Presenters

Dates & Locations:

Nov. 13, 2008
Augusta Civic Center
Civic Center Drive
(www.augustaciviccenter.org)

Nov. 18, 2008
Portland - Keeley The Katerer
178 Warren Avenue
(www.keeleythekaterer.com)

November 20, 2008

Brewer - Jeff's Catering
5 Coffin Avenue
(www.jeffscatering.com)

Time:

Registration is 7:30 to 8:00 a.m. Programs will conclude at all locations no later than 4:00 p.m.

Cost:

\$40 per person, includes a specially prepared sales tax reference guide, lunch, and morning and afternoon refreshments.

Pre-registration:

Pre-registration is required by mail. Please use the registration form [by clicking here](#) and make checks payable to: Treasurer State of Maine

Registration due dates:

All locations -- two weeks prior to conference date!

Since an accurate count is necessary for the facility, no walk in registrations will be allowed. Refunds will be granted if cancellations are received no later than 1 week before the conference date. Substitutions are acceptable.

AGENDA

Comments from evaluation forms received at past symposiums have suggested changes to our program. Two of these suggestions often recur and, as a result, we have decided to incorporate those suggestions into our program for this year. If you have attended in the past, please note these changes.

Our symposium agenda will now address both new attendees as well as those who have attended a symposium in the past and would like to keep informed about changes in the law and receive a refresher course on applying the law to the business they represent.

We will begin the morning session with a presentation on "WHAT'S NEW" a session explaining recent legislative changes and other current events. The agenda will still contain a "SALES & USE TAX OVERVIEW" which will include exemptions, documentation and web based information and filing opportunities.

Although our presentations are generalized in order to benefit all types of retailers, we are introducing a new feature to our agenda called "INDUSTRY SPOTLIGHT". This fall's session will focus on **Vehicles**. If you are involved in sales or service of new or used motor vehicles, watercraft, recreational vehicles including campers, trailers or special mobile equipment mark your calendar and attend this fall's symposium as you will find our session very informative.

Who should attend

If you are faced with making daily decisions on whether or not sales tax applies to certain transactions ...

-or-

If you often question why an item or organization is taxable or exempt ...

-or-

If you question whether or not you are completing the sales tax return correctly ...

-or-

If your exempt sales are not properly documented ...

...then this symposium is for you!

Although designed for retailers, this presentation would benefit accountants, lawyers and tax return preparers as well. Each participant will receive a specially prepared updated reference guide that brings the law, Bureau determinations and informative points together in one publication.

Presenters:

Peter B. Beaulieu
Director

Sales, Fuel and Special Tax Div.

Sara J. Lewis
Deputy Director
Sales, Fuel and Special Tax Div.

Judy A. Methot
District Tax Audit Manager
Sales, Fuel & Special Tax Div.

Certificates of attendance will be available.

For additional information, call:
207-624-9609 or 207-624-9693

**MAINE REVENUE SERVICES
SALES AND USE TAX SYMPOSIUM 2008**

Registration form

(please photocopy if more than one attending)

Name _____

Company _____

Street _____

City, Zip _____

Telephone No. _____

Symposium Location:

Augusta, Nov. 13 Portland, Nov. 18 Brewer, Nov. 20

Fee = \$40/person per day

See below for payment options

Note: Do not include with sales tax return. Please mail separately.

Check. Please make check payable to Treasurer of State of Maine (do not include with sales tax money) and mail to:

**Maine Revenue Services
P.O. Box 1065
Augusta, ME 04332-1065**

Credit Card: Master Card VISA Discover

Account Number _____

My card expires on _____

Authorized Signature