

NEWS BULLETIN

Maine Automobile Dealers Association

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DISTRIBUTION

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2009-11

SALES TAX CHANGES

This year's session of the Maine Legislature produced a number of changes to the Sales and Use Tax laws, affecting a wide range of taxpayers, including franchised new car and truck dealers. To assist businesses with understanding and implementing these law changes, Maine Revenue Services has scheduled a significant number of Sales and Use Tax seminars. These workshops start on Monday, August 31, in Augusta, with afternoon and evening sessions available. Presenters will review the variety of changes to the application of the tax, the increased rate of sales tax for different categories, and the submission of sales tax forms and payments.

Dealerships are encouraged to participate in these Sales and Use Tax seminars. MADA will be attending some of these seminars, and will be providing information in future bulletins as well as during our regional meetings this Fall. A full list of seminar options is enclosed.

For franchised dealerships, there are two dates on which change will occur: October 1 for short-term rentals, and January 1 for sales tax applied to labor on auto repairs. Dealerships will have a variety of questions on the application of the sales tax to labor charges. MADA has begun to ask Maine Revenue Services for clarification on a number of items, and this dialogue will continue as the full variety of tax changes becomes clear. Future bulletins will address specific situations. Dealerships are encouraged to direct their questions to MADA, and we will answer with the Maine Revenue Services interpretation of the various scenarios discussed with them.

REFERENDUM EFFORT TO STOP SALES TAX CHANGES

The implementation of the Sales and Use Tax laws enacted during the 2009 session of the Maine Legislature may be delayed if supporters of a referendum question which seeks to stop these changes are successful. Currently, efforts are underway to collect a sufficient number of signatures (nearly 56,000 are required) to place a question before Maine citizens as to whether these law changes should take effect. Should sufficient signatures be gathered, and certification obtained from the Maine Secretary of State that sufficient signatures were gathered and are valid, then the implementation of these law changes would be delayed until the vote of Maine citizens either in November, 2009 or in June, 2010. The deadline for obtaining signatures is in early September, so it is likely that we will know before the end of September whether the implementation will be delayed. MADA will inform dealers as that situation becomes resolved.

"CLUNKERS" SALES COME TO AN END

At 8:00 p.m. on Monday, August 24, a dealership's ability to help customers pursue "Cash for Clunkers" (CARS) came to an end. At that time, sales must have been consummated in order for that transaction to be eligible under the CARS program. MADA has sent a series of emails to dealerships participating in the CARS program, announcing the significant rollercoaster ride in the program's administration and providing information helpful to dealerships in their efforts to submit the voluminous data necessary for reimbursement. With first submission of all transaction data required by 8:00 p.m. on Tuesday, August 25, that phase of the program has also ended.

The next several weeks will be devoted to correcting rejections of submitted deals as they are returned by the National Highway Traffic Safety Administration (NHTSA) processors. Some money has been trickling into dealers' bank accounts as transactions have been approved and paid. The vast majority of transactions are either "under review" or "pending". Some recently-submitted transactions do not carry any notation as to status, which simply means that the invoice has not yet been assigned to a processing unit. Now that we have reached the end of the opportunity to sell new vehicles under this program, and the deadline has passed for the first submission of information on these vehicles, we turn our attention to clean-up, fix-up and pay-up issues. Dealerships are encouraged to contact your MADA office should you have any problems or questions concerning the ability to get a deal through the NHTSA system and receive reimbursement.

2010 MADA CONVENTION TO BE HELD IN BAR HARBOR

Your association's 2010 annual meeting and convention has been scheduled for June 25, 26 and 27 at the Harborside Hotel and Marina of Bar Harbor. This site has proven to be very popular with MADA members and guests, as Mount Desert Island, and Bar Harbor itself, offer a wide variety of recreational and social opportunities. Please mark your calendar early, for you will want to be in Bar Harbor in late June of 2010.

WASTE OIL AND THE PLYMOUTH SITE

The long, arduous and crooked road to a final remedy at the George West waste oil site in Plymouth is nearing an end. A few days ago all Potentially Responsible Parties (PRPs) received certified mail packages from the U.S. Environmental Protection Agency (EPA). This package contains documents which the PRP needs to review and decide whether or not to sign in agreement with the terms presented in these documents. MADA has sent a letter to those PRPs which we understand to have received the EPA package. This letter outlines MADA's intent to review the documents in detail, and to provide a more thorough analysis within the next week to all dealer PRPs at the Plymouth site.

DEP TARGETS CASCO AND ELLSWORTH WASTE OIL SITES

Earlier this year, Maine's Department of Environmental Protection (DEP) held public informational sessions to which PRPs at the Casco and Ellsworth George West waste oil sites were invited. These sessions revealed DEP's intent to pursue settlement at the Casco and Ellsworth sites. The estimates provided at these two meetings were in the range of \$2.5 million each, but it should be emphasized that these are estimates only. The remedy cost for the Ellsworth site has been a moving target in DEP conversations. MADA will be addressing the DEP efforts at resolving these two sites during our Fall regional meetings as well as in direct communication with dealer PRPs.

MAINE REVENUE SERVICES

SALES & USE TAX SEMINARS

Fall 2009 Schedule

Dates & Locations

Afternoon session: 1:00 pm to 4:00 pm Evening session: 6:00 pm to 9:00 pm

<i>Day</i>	<i>2009</i>	<i>Town/City</i>	<i>Location (for directions please refer to the web address listed)</i>
Monday	Aug 31	Augusta	Augusta Civic Center, North Wing, 76 Community Drive www.augustaciviccenter.org
Tuesday	Sept 1	Bethel	Bethel Inn, 21 Broad Street www.bethelinn.com
Wednesday	Sept 2	Farmington	University of Maine, Olsen Student Center, North Dining Hall, High St. www.umf.maine.edu
Thursday	Sept 3	Waterville	Holiday Inn, 375 Main Street www.ihotelsgroup.com/h/d/hi/1/en/hotel/wvlme
Tuesday	Sept 8	Belfast	University of Maine Hutchinson Center, Belmont Ave www.hutchinsoncenter.umaine.edu
Wednesday	Sept 9	Rockport	Samoset Resort, 220 Warrenton Street www.samosetresort.com
Thursday	Sept 10	Bath	Kennebec Tavern, Sequin Hall, 119 Commercial Street www.kennebectavern.com
Monday	Sept 14	Ellsworth	Holiday Inn, 215 High Street www.holidayinn.com/h/d/hi/1/en/hotel/elwme
Tuesday	Sept 15	Machias	University of Maine , Science Lecture Hall www.umm.maine.edu
Wednesday	Sept 16	Calais	Washington County Community College , St. Croix Lecture Hall www.wccc.me.edu
Thursday	Sept 17	Bangor	Ramada Inn, 357 Odlin Road www.bangoramada.com
Monday	Sept 21	Wells	York County Community College , Cafeteria, 112 College Drive www.yccc.edu
Tuesday	Sept 22	Saco	Holiday Inn Express, 352 North Street www.hiexpress.com/h/d/ex/1/en/hotel/scame

Wednesday	Sept 23	Portland	Clarion Hotel, 1230 Congress Street www.clarionhotel.com/hotel-portland-maine-ME061
Thursday	Sept 24	Freeport	Hilton Garden Inn, 5 Park Street www.hiltongardeninn.com/en/gi/hotels/index.jhtml?ctyhocn=PWMFDGI
Monday	Oct 5	Medway	Gateway Inn, Route 157 www.medwaygateway.com
Tuesday	Oct 6	Bangor	Ramada Inn, 357 Odlin Road www.bangorramada.com
Wednesday	Oct 7	Dover-Foxcroft	Center Theater, 20 East Main Street www.centertheatre.org
Thursday	Oct 8	Lewiston	Ramada Inn, 490 Pleasant Street, Theater Room www.ramada.com
Tuesday	Oct 13	Skowhegan	Ken's Celebration Center, 201 Madison Avenue http://kensfamilyrestaurant.com
Wednesday	Oct 14	Augusta	Augusta Civic Center, North Wing, 76 Community Drive www.augustaciviccenter.org
Thursday	Oct 15	Portland	Clarion Hotel, 1230 Congress Street www.clarionhotel.com/hotel-portland-maine-ME061
Monday	Oct 19	St. Agatha	Lakeview Restaurant, 9 Lakeview Drive www.connectmaine.com/lakeviewrestaurant
Tuesday	Oct 20	Caribou	Caribou Inn and Convention Center, Route 1 www.caribouinn.com
Wednesday	Oct 21	Presque Isle	Presque Isle Inn and Convention Center, Route 1 www.presqueisleinn.com
Thursday	Oct 22	Houlton	Shiretown Motor Inn, 282 North Road www.shiretownmotorinn.com/

For additional information, call:

207-624-9693