



Greater New York
Automobile Dealers
Association

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Bagels with
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Contact Tim Minter 267-566-2139

DMV-DIRECT

FOR REGISTRATION, TITLING, & BEYOND...CALL 718.747.0400

GNVADA's vehicle registration and titling service, DMV-DIRECT, has been dealers go-to source for fast, convenient, and reliable DMV services.

DMV-DIRECT provides many DMV related services, including:

- Permanent Registration Issuance
- Duplicate Titles In 3 To 5 Days
- Out-of-State Registration & Title Processing for 42 States
- On-Site Connecticut Plates Issuance
- Dial-In Information Verification
- In-Transit Processing
- Duplicate Registrations
- Registration Renewals
- Title-Only Transactions
- Plate Surrenders
- Dealer Plate Renewals
- Rental Plate Renewals
- Repossessed Vehicles Processing
- MV-82 & Transmittal Forms Supplied
- Boat Registrations – Renewed and Duplicates
- Trailer Plates
- Commercial Plates
- Livery Plates

The graphic is a promotional flyer for DMV-DIRECT's Rush Duplicate Title Service. It features a yellow and blue color scheme. At the top left is the GNYADA logo (Greater New York Automobile Dealers Association). To the right, it says 'DMV DIRECT' with a yellow arrow pointing right, followed by 'VEHICLE REGISTRATION & TITLE PROCESSING SERVICE'. Below this, it reads 'GNVADA's DMV DIRECT' and then 'RUSH DUPLICATE TITLE SERVICE' in large, bold, white letters on a blue background. Underneath, it says 'FAST, LOW COST SERVICE' and 'Have a title at your dealership in 3 days, easy as 1, 2, 3!'. A numbered list follows: 1. Fax Paperwork to 718.747.1237, 2. Receive title on 3rd day, 3. Submit payment. Below the list, it says 'If you would like additional information on this express title service, please contact DMV DIRECT at 718.747.0400'. A section titled 'Required Paperwork includes:' lists: Duplicate title form, Authorization letter on dealership letterhead, Identification for the title holder, and Express title application cover sheet. At the bottom, it provides the address '18-10 Whitestone Expressway • Whitestone, New York 11357 • (718) 747-0400'.

GNVADA
Greater New York
Automobile Dealers
Association

DMV DIRECT
VEHICLE REGISTRATION &
TITLE PROCESSING SERVICE

GNVADA's **DMV DIRECT**

**RUSH DUPLICATE
TITLE SERVICE**

FAST, LOW COST SERVICE
Have a title at your dealership in 3 days, easy as 1, 2, 3!

1. Fax Paperwork to 718.747.1237
2. Receive title on 3rd day
3. Submit payment

If you would like additional information on this express title service,
please contact **DMV DIRECT** at 718.747.0400

Required Paperwork includes:

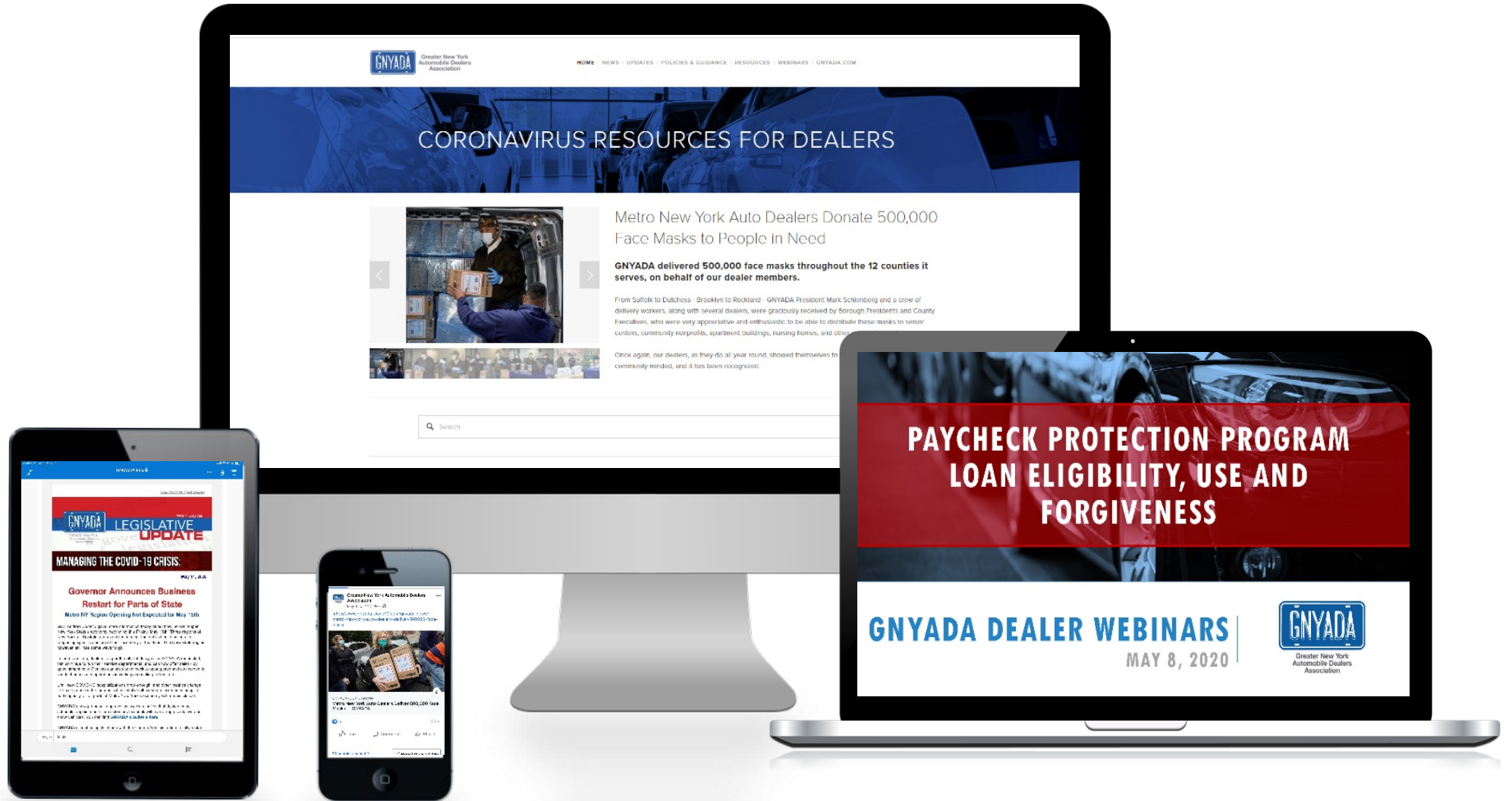
- Duplicate title form
- Authorization letter on dealership letterhead
- Identification for the title holder
- Express title application cover sheet

18-10 Whitestone Expressway • Whitestone, New York 11357 • (718) 747-0400



Greater New York Automobile Dealers Association

WWW.GNYADA-COVID19.COM



Greater New York Automobile Dealers Association

NOVEMBER BAGELS WITH BIEBER SCHEDULE

November 18, 2021 – Andria Ryan, Esq., Fisher Phillips will discuss the OSHA vaccine or test mandate.

November 23, 2021 - Paul Charles talks about what's happening with ongoing sales tax audits and year- end tax reminders.

November 25, 2021 - **Happy Thanksgiving!**





Department of
Taxation and Finance

Publication 838

A Guide to Sales Tax
for Automobile Dealers

Pub 838 (12/12)



Department of
Taxation and Finance

Publication 839

A Dealer's Guide to Sales
and Use Taxes on Long-Term
Motor Vehicle Leases in
New York State

Pub 839 (7/10)



Greater New York Automobile Dealers Association

PUBLICATION 838 (12/12)

About this publication As an automobile dealer (hereafter called dealer) in New York State, you have many duties and responsibilities for the collection of New York State and local sales tax, and the payment of use tax. In general, hereafter all these taxes will be called sales tax. This publication provides a general explanation of sales tax, and includes information about sales tax registration and record-keeping responsibilities. It also explains which sales and services are subject to tax; how to apply sales tax to lease or rental transactions; general use tax rules for such topics as demonstrators, mixed-use, and loaner vehicles; how sales tax applies to sales and purchases of parking, garaging, and storage; how to determine the correct tax rate; dealer purchases and exempt sales; sales to exempt organizations; and the lemon law. In addition, the appendix includes definitions; record-keeping and return information; and general information about the sale, transfer, or assignment of business assets.

For information about motor vehicle registrations and similar matters, see the New York State Department of Motor Vehicles (DMV) Web site at www.dmv.ny.gov.

NOTE: A Publication is an informational document that addresses a particular topic of interest to taxpayers. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in Department policies could affect the validity of the information contained in a publication. Publications are updated regularly and are accurate on the date issued. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.





TRADE-INS



Greater New York Automobile Dealers Association

PRE-TRADES

A customer trades-in their car before choosing a new car. Can you give them a trade-in allowance on car purchased after?

- One Week?
- One Month?
- One Year?

➤ Section 526.5(f) Trade-in. Any allowance or credit for **any** tangible personal property accepted in part payment by a vendor on the purchase of tangible personal property or services and intended for resale by such vendor shall be excluded when arriving at the receipt subject to tax.

- Would your opinion be different if the dealer loaned the pre-trade value of the vehicle back to the customer until their vehicle was available?

At what point do the facts and circumstances indicate that there are two separate transactions-

- A sale of a vehicle by the customer to the dealer;
- A sale of a vehicle by the dealer to the customer.

TRADE-INS - DEFINED

Any tangible personal property (the trade-in does not have to be a vehicle) accepted by the dealer as partial payment of a vehicle and intended for resale is excluded from the amount subject to sales tax.

The buyer does not have to be the owner of the trade-in. Obtain proper documentation from the owner indicating the property (typically a vehicle) can be used for its trade-in value.

TRADE-IN TRANSACTIONS – POLLING QUESTION #1

Polling question

A customer wants to trade-in their grandmother's diamond ring against the deal.

Is it permitted?

Yes

No

TRADE-IN TRANSACTIONS – POLLING QUESTION

#2A

Polling Question:

On a retail purchase, a customer wants to trade-in their lien-free vehicle. They, of course, are entitled to a trade-in for the full market value of their vehicle.

a) If the trade-in has a loan balance, is the trade-in allowance the net equity?

TRADE-IN TRANSACTIONS – POLLING QUESTION #2A

ANSWER

NO.

If the customer either pays off the loan or borrows extra money when they take out a new loan to pay off the balance due on the new car, the amount of the trade-in would not be affected – see page three of TSB-A-10(53)S.

TRADE-IN TRANSACTION – POLLING QUESTION #2B

On a retail purchase, a customer wants to trade-in their lien-free vehicle. They, of course, are entitled to a trade-in for the full value of their vehicle.

b) If the customer owns the trade-in outright and as part of the trade-in wants to “cash out” part of their equity, is the trade-in allowance the net equity?

TRADE-IN TRANSACTIONS – POLLING QUESTION #2B ANSWER

If you follow the logic above, the answer is PROBABLY NO. It is the equivalent of the individual borrowing against their vehicle in one transaction and then trading it in as in 2a above. Since this is typically done in a single transaction, the State may argue that only the equity is available, but my opinion is that would be incorrect. Show the amount of the “cash out” as a lien payoff, **if you agree with this interpretation.**

TRADE-IN TRANSACTIONS CONTINUED

Customer's current vehicle is leased with a current value of \$12,000 with a buyout option of \$10,000. If the customer assigns their right to buyout to the dealer, is the trade-in allowance the net equity?

- New York State YES – however see a related issue in the last page of TSB-A-10(53)S. This is an area of controversy and open to interpretation.

TRADE-IN ALLOWANCES

In a lease, a customer wants to trade-in his vehicle that is lien free. IF THE DEALER IS THE LESSOR, the vehicle being traded in serves as a Cap Cost Reduction which reduces the amount subject to tax.

- If the trade-in has a loan balance, is the trade-in allowance the net equity?

Answer:

- YES – the loan, to be satisfied, must increase the Cap Cost. ANYTHING which serves to increase the monthly payment also serves to increase the amount subject to tax.

TRADE-INS: SALES TAX BULLETIN ST-860

Example: A customer decides to buy a vehicle from you for \$22,500. You agree to take their current vehicle as a trade-in and give a \$4,500 credit for the old vehicle. You would calculate the taxable amount of the sale as follows:

Original price	22,500
Trade-in	<u>(4,500)</u>
Sale price subject to tax	<u>18,500</u>

➤ Any portion of the trade-in allowance that is not applied directly against the price of the item being purchased is not allowed as a credit against the price of another item purchased at a later date or from another seller.

Example: Assume the same facts as in the example above except that only \$2,500 of the trade-in allowance is applied against the purchase price of the new vehicle, with the other \$2,000 given to the purchaser in cash. The \$2,000 cash cannot be applied as a trade-in allowance against any later purchase from you or from another seller.



TRADE-IN TRANSACTION? LEASE RETURN

Customer returns leased vehicle at conclusion of lease period and is not buying or leasing another vehicle. Dealer agrees to take car and buy it from lessor (at dealer price) and gives customer excess over the residual value.

Are there any tax consequences to this transaction?

How is this overage in the lease buyout treated?

Incentive to do business with dealer?

A gift to the lessee/customer?

Reportable income to lessee/customer requiring a 1099 if more than \$600?

Pages 1099-1099 misc and 1099 nec pgs 1-8 re: what is to be reported



FORM 1099-MISC

File Form 1099-MISC for each person to whom you have paid during the year:

- At least \$600 in:
 - Rents.
 - Prizes and awards.
 - Other income payments.
 - Medical and health care payments.
 - Crop insurance proceeds.
 - Cash payments for fish (or other aquatic life) you purchase from anyone engaged in the trade or business of catching fish.
 - Generally, the cash paid from a notional principal contract to an individual, partnership, or estate.
 - Payments to an attorney.
 - Any fishing boat proceeds.

<https://www.irs.gov/instructions/i1099misc>



TRADE-IN TRANSACTIONS: CUSTOMER SELLS DEALER THEIR VEHICLE

Customer owns car and sells it to dealer for more than market value.

Is this simply a sale from the customer to the dealer for resale?

Incentive to do business with dealer?

A gift to the lessee/customer?

Reportable income to lessee/customer requiring a 1099 if more than \$600?



TRADE-INS – BUYING MORE THAN ONE VEHICLE

What if you have one buyer's order for two vehicles with a single vehicle to be traded against both vehicles?

Try to write deal and bill as one order.





NADA

The image features the word "NADA" in a bold, white, sans-serif font, centered horizontally. Below the text is a white graphic element consisting of two parallel, wavy lines that resemble a stylized underline or a decorative flourish. The background is a dark red color with a faint, repeating pattern of a car's front end, including the headlight and grille, creating a textured, automotive-themed backdrop.

Last in-First out (LIFO)

Gregory D. Cote

Director & Counsel Regulatory Affairs
NADA Regulatory Affairs



What We'll Cover

- **Quick LIFO Primer**
- **Section 473**
- **2020 Experience**
- **2021 Experience**
- **2011 Experience**
- **Capitol Hill Involvement**

Current Status Dealership Industry LIFO Reduction Estimate

\$1,246,888

Average
LIFO Reserve

72.83%

Inventory
Reduction

84.24%

LIFO Layer
Adjustment Factor

61.35%

LIFO Reserve
Reduction

\$764,969

LIFO
Reduction

29.6%

Tax
Rate

\$226,431

Tax on
Recapture

16,623

New Vehicle
Dealers

48.89%

Dealerships
Reporting LIFO

8,127

Number of
Impacted Dealers

\$6,216,892,418

Total LIFO
Recapture Income

\$1,840,200,156

Total LIFO
Recapture Tax

Section 473

Sec. 473 Qualified liquidations of LIFO inventories

(a) General rule

If, for any liquidation year--

- (1) there is a qualified liquidation of goods which the taxpayer inventories under the LIFO method;
- (2) the taxpayer elects to have the provisions of this section apply with respect to such liquidation;

then the gross income of the taxpayer for such taxable year shall be adjusted as provided in subsection (b).

Whenever the Secretary, after consultation with the appropriate Federal officers, determines--

(i) that--

(I) any Department of Energy regulation or request with respect to energy supplies, or

(II) any embargo, international boycott, or other major foreign trade interruption,

has made difficult or impossible the replacement during the liquidation year of any class of goods for any class of taxpayers, and

(ii) that the application of this section to that class of goods and taxpayers is necessary to carry out the purposes of this section,

he shall publish a notice of such determinations in the Federal Register, together with the period to be affected by such notice.

(B) the taxpayer establishes to the satisfaction of the Secretary that such decrease in gross income is primarily attributable to a qualified inventory interruption.

(2) Qualified inventory interruption defined

(A) In general

The term "qualified inventory interruption" means a regulation, request, or interruption described in subparagraph (B) but only to the extent provided in the notice published pursuant to subparagraph (B).

(B) Determination by Secretary

the Federal officers, determines--

energy supplies, or

interruption,

on year of any class of goods for

taxpayers is necessary to carry out the

together with the period to be

qualified liquidation to which

completed. The term "replacement period" means the shorter of--

(A) the period of the 3 taxable years following the liquidation year, or

(B) the period specified by the Secretary in a notice published in the Federal Register with respect to that qualified inventory interruption....

2020 Experience



November 20, 2020

Hon. David Kautter
Assistant Secretary (Tax Policy)
Department of the Treasury
1500 Pennsylvania Ave., NW, Room 3120
Washington, DC 20220

Hon. Michael J. Desmond
Chief Counsel
Internal Revenue Service
1111 Constitution Ave., NW, Room 5408
Washington, DC 20224

Re: Request for Expedited Section 473 Relief for Certain Franchised Automobile and Truck Dealers

Dear Assistant Secretary Kautter and Chief Counsel Desmond:

On behalf of the National Automobile Dealers Association (“NADA”),¹ we are writing to request expedited relief under section 473 of the Internal Revenue Code for franchised new automobile and truck² dealers who (i) inventory their new vehicles under the last-in, first-out (“LIFO”) accounting method, and (ii) experienced a decrease in their new vehicle closing inventories in 2020 because major foreign trade interruptions resulting from government actions to contain the spread of the novel coronavirus made replacement of new vehicle inventories difficult or impossible. Section 473 authorizes the Secretary of Treasury in such circumstances to permit taxpayers to reduce the unanticipated income from such interruptions by replacing the inventory over a three-year period. Absent such relief, many franchised new automobile and truck dealers will realize significant, unexpected tax liabilities for 2020.

Government Actions to Contain the Novel Coronavirus

Beginning in January 2020, the Chinese government began to take measures to contain the spread of the novel coronavirus within China. The government “locked down” its economy, prohibiting travel within China and closing many of its factories. By February 1, 2020, 24 provinces, municipalities, and regions within China were locked down. The affected area accounted for approximately 90% of exports

¹ NADA represents over 16,000 franchised dealers in all 50 states who sell, finance, and lease new and used motor vehicles and engage in service, repair, and part sales. This includes approximately 1,800 commercial truck dealers. NADA’s members, most of whom are small businesses as defined by the Small Business Administration, collectively employ 1.2 million people nationwide.

² “Truck” refers to light, medium, and heavy-duty trucks, as well as vans.

2021 Experience



April 27, 2021

Mr. John Moriarty
Associate Chief Counsel
Income Tax & Accounting
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Re: Request for Relief under Section

Dear Mr. Moriarty:

The American Institute of CPAs (AICPA) represents the Treasury ("Treasury") and the Internal Revenue Service ("IRS") in connection with the Tax Cuts and Jobs Act (TCJA) or the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).² The AICPA is continuing to work on numerous urgent matters ("Coronavirus" or "COVID-19"). How we are making efforts.

Specifically, the AICPA requests relief from the application of Section 473 that: (i) account for their inventory and the decrease in their closing inventory due to COVID-19. Section 473 authorizes relief from the application of Section 473 to unanticipated income from a qualified business asset over a three-year period. Absent this relief, the application of Section 473 is significant and unexpected tax liability.

Overview

Section 473 provides detailed and specific mechanics of the available election to elect to apply the LIFO method to government actions and restrictions that curtail the COVID-19 pandemic caused supply chains upon which our global economy relies. In some cases impossible, for taxpayers to elect to apply the LIFO method.

¹ P.L. 115-97.

² P.L. 116-136.

³ Unless otherwise indicated, all section 473 Treasury Regulations promulgated thereunder.

⁴ The National Automobile Dealers Association ("NADA") has requested relief under section 473 for the 2020 tax year. For more information, including the legislative history, see the NADA's comments to the Treasury and Internal Revenue Service, 2020 Tax Relief for the Automobile and Truck Dealers, 2020 T.D. 9000001.

THE LIFO COALITION

1325 G Street N.W., Suite 1000, Washington, DC 20005 • TEL: 202-872-0885

February 25, 2021

Mark J. Mazur, Deputy Assistant Secretary for Tax Policy
Office of Tax Policy
Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220

Hon. Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

William M. Paul, Acting Chief Counsel and Deputy Chief Counsel (Technical)
Office of the Chief Counsel
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Re: Request for Section 473 Relief for Businesses Using LIFO

Gentlemen:

I am writing on behalf of the LIFO Coalition to request that the Department of the Treasury provide relief under IRC § 473 for certain businesses using the Last-In, First-Out inventory accounting method whose inventory supplies have been disrupted by the COVID-19 pandemic.

The LIFO Coalition (the Coalition), organized in April 2006, has more than 130 members including trade associations representing manufacturing, wholesale distribution, and retail industries, as well as companies of every size and industry sector that employ the LIFO method. A list of the Coalition members is attached to this document, and can be found at <http://savelifo.org/about-lifo-coalition/>.

LIFO Coalition members from a cross-section of industries have informed me that they have experienced a decrease in closing inventory as a direct result of global trade interruptions arising from the pandemic. Specifically, government actions to contain the spread of the pandemic have disrupted supply chains, resulting in a decrease in closing inventory.

Follow-Up Letter



September 1, 2021

Hon. Mark Mazur
Acting Assistant Secretary (Tax Policy)
Department of the Treasury
1500 Pennsylvania Ave., NW, Room 3120
Washington, DC 20220

As demonstrated in the data we presented during the call, the decrease in inventory resulting from the trade disruption, including the resulting shortages of semiconductors, is drastic, widespread, unprecedented, and expected to cause thousands of impacted businesses to incur significant, unexpected tax liability that will constrain capital, hamper cash flow and, in turn, cause a range of adverse economic consequences in the auto sector of the economy.

...support for that limitation in the statute or in the legislative history. The statute itself authorizes relief where there is an "embargo, international boycott, or other major foreign trade interruption." There is no requirement that the embargo, boycott, or other foreign trade interruption be imposed, or caused, by the United States government. This interpretation is further supported by the legislative history, which provides that the need for the relief is because the LIFO liquidation is caused by "circumstances beyond [the taxpayer's] control."² There is no requirement that those circumstances be brought about by the United States government, and the harm to taxpayers that necessitates the relief is no less where a foreign government causes the inventory interruption.

The second issue concerned whether the relief under Section 473 is limited to situations where it would benefit consumers. We find no support for this limitation in the statute or legislative history.³ The statute was targeted to directly benefit taxpayers who use the LIFO inventory method and will recognize

¹ See H.R. Conf. Rep. No. 817, 96th Cong., 2d Sess. 158-61 (1980).

² Joint Committee on Taxation, *General Explanation of the Crude Oil Windfall Profit Tax of 1980*, JCS-1-81, at 125 (1981).

³ See H.R. Conf. Rep. No. 817, 96th Cong., 2d Sess. 158-61 (1980).



NATIONAL AUTOMOBILE DEALERS ASSOCIATION
8400 Westpark Drive • McLean, Virginia 22102
703/821-7040 • 703/821-7041

Legal & Regulatory Group

January 13, 2012

Via E-Mail

Hon. Emily S. McMahon
Acting Assistant Secretary for Tax Policy
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Hon. William J. Wilkins
Chief Counsel
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20220

Re: Request for Expedited Section 473 Relief for Certain Franchised Car and Truck Dealers

Dear Assistant Secretary McMahon and Chief Counsel Wilkins:

On behalf of the National Automobile Dealers Association (NADA),¹ we are writing to request that the Secretary of the Treasury provide expedited relief under section 473 of the Internal Revenue Code to franchised new car and truck dealers who (i) inventory their new vehicles under the Last-In, First-Out (LIFO) accounting method, and (ii) experienced a decrease in their new vehicle closing inventories as a result of the earthquake and tsunami that occurred in Japan in March 2011 and/or the flooding that has occurred in Thailand since July 2011.

These natural disasters and their damaging impact on persons and property in the affected regions and on international commerce are well known. The 9.0 magnitude earthquake that occurred off the northeast coast of Japan on March 11, 2011 was the largest ever recorded in Japan and one of the largest anywhere in recorded history. The earthquake and the 23-foot tsunami that it triggered left 26,000 people dead or missing, 450,000 people homeless, and caused property damage in the amount of 4.5% of Japan's GDP. These events resulted in extensive port closures, supply disruptions, and suspension of production at manufacturing plants.² The flooding that has occurred in Thailand since July 2011 has also had a widespread

¹ NADA represents approximately 16,000 franchised dealers in all 50 states and the District of Columbia who sell new and used vehicles and engage in service, repair, and parts sales. NADA's members, most of whom are small businesses as defined by the Small Business Administration, collectively employ approximately 1 million nationwide.

2011 Experience

Capitol Hill Outreach





ROSENFELD & Co. PLC
TRADITIONAL VALUES | EXTRAORDINARY RESULTS

Internal Controls in Dealership Accounting Functions

Presented By Scott Lewis, CPA, MSA

A close-up photograph of a person's hand holding a silver pen, pointing at a calendar on a desk. The calendar shows dates from 1st to 31st, with the 24th circled. The image is partially obscured by a white diagonal line that separates it from the text on the right.

Cash and Bank Reconciliations

- Segregation of duties between personnel
 - Can make and control deposits, who can authorize disbursements and the personnel who reconciles the bank statements
- Ideal would be daily reconciliations
 - Regular review by upper management, owner, etc.
 - Have an outside party such as a CPA or accounting consultant review for anomalies and proper clearing
- Restrictions on check signers and other access to cash, including authorizing wires and other EFTS's withdrawals

Cash and Bank Reconciliations – cont.

- Supporting documentation on all checks including invoices and details on the check stubs
- Use of corporate credit cards for payments
 - Reduces the amount of physical checks
 - Maintaining same level of control and documentation and restriction requirements as if they were checks
- Backup for all checks including intercompany transactions
- Compare daily cash reports to compare sales reports, does cash-flow make sense based on sales?





Accounts Receivable and Deposits

- Restrict who can approve adding credit customers, including the credit maximum limits
- Sales personnel such as service writers or management should not be allowed to handle cash
- Personnel handling cash and other payment methods should not be allowed to adjust sales documents
- Spot check cash edit listings from parts and service reports; compare to deposit slips for breakdown of cash and checks

Accounts Receivable and Deposits – cont.

- Look at daily document sales reports and compare to cash reporting
- Review gross profits to ensure they are reasonable and look for anomalies such as labor sales vs labor cost
- If multi-dealership group, look at same gross profit percentage in these other stores





Accounts Payable and Cash Disbursements

- Restrict access on who can sign vendor contracts, and/or change vendors on behalf of the dealerships
- Restrict who can add vendors into the accounting system
- Thorough review of approved vendor list
 - Minimize amount of vendors, if possible, which leads to less opportunities for fraud
- Compare employee names and addresses to vendor files for any duplicates that may indicate fraud

Accounts Payable and Cash Disbursements – cont.

- Can anything be outsourced such as payroll processing?
 - Reduction in some personnel expenses
 - Mitigates some fraud opportunities in this area
 - Minimize any errors in payroll tax compliance
- Perform background checks on personnel when hiring
- Review employee dishonesty coverage





DMS Utilization

- Restrictions within DMS to specific functions and modules
- Review of access reports including times and functions accessed, especially in these times of remote access
- Look at fixed operation exception reports,
 - Shows RO's and parts tickets being changed, when and what changed, and who performed



Other General

- Conduct segregation of duties studies within accounting department
 - Ensure minimization of incompatible functions
 - Same person recording bank deposits and authorizing and writing checks, as example
- Desk rotations and cross training
- Financial statement analytics for any unusual patterns or anomalies
- Consulting fieldwork by automotive CPA on rotating schedule and areas of concerns



Please contact us with any additional questions.

**Thank you for
your time!**

Visit our Website

www.rosenfieldandco.com

Call Us

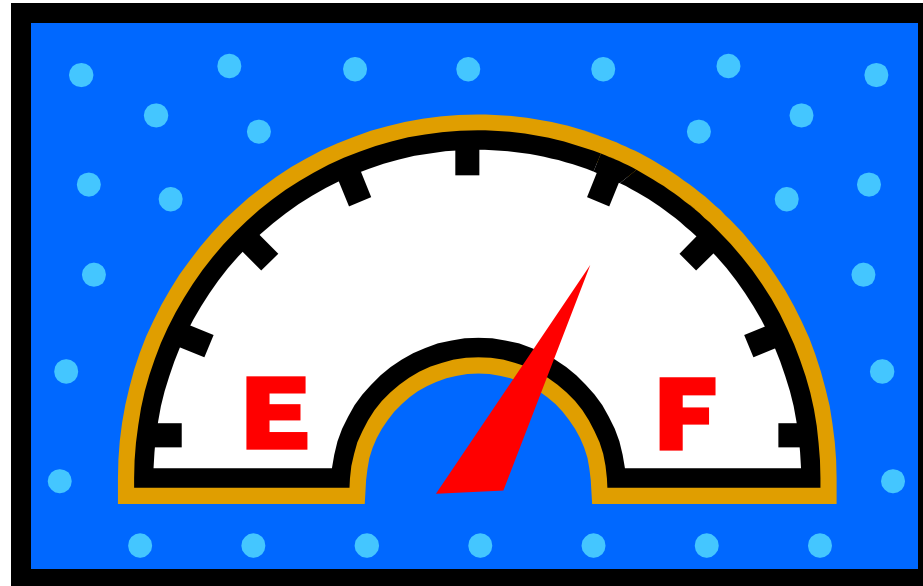
1-888-556-1154

Email Us

scott@rosenfieldandco.com

SALES TAX CREDIT – FUEL FILL

Contractual obligation to provide customer full tank =
entitled to sales tax refund





FUEL FILL SALES TAX CREDIT



Greater New York Automobile Dealers Association



Application for Refund of Sales Tax Paid on Petroleum Products

Tax Law — Articles 28 and 29

For office use only	
Total \$	Date
Audited by	
Approved by	
Approved by	
Approved by	
2. Period covered by claim (date(s) of purchase) (mm/dd/yyyy)	
JUNE - AUG 2013	
4. Telephone number	
()	
6. Employer identification number (EIN)	
12-3456789	
7. Total amount of refund claimed	
3469.00	

1. Name ABC CORP

3. Street address ANYWHERE

5. City NY County NY State NY ZIP code 10001

Note: Complete this application in full, including the Schedule of motor fuel and diesel motor fuel purchases on page 3. This form may not be used to claim a refund of the prepaid sales tax (see instructions).

8. Fuel was used (mark an X in applicable box; see instructions)
- A — by an exempt organization
 - If marked, enter 6-digit exempt organization number and attach a copy of Form ST-119, Exempt Organization Certificate
 - B — by a qualified Indian nation or tribe
 - If marked, enter 6-digit exempt organization number and attach a copy of Form ST-119, Exempt Organization Certificate
 - C — in farm production or in a commercial horse boarding operation
 - D — by a qualified empire zone enterprise (QEZE)
 - Mark an X in the box next to the applicable employment test worksheet and attach the appropriate form to the application.
 - AU-12.1, Employment Test for Businesses Certified by Empire State Development (ESD) Before April 1, 2005
 - AU-12.2, Employment Test for Businesses Certified by Empire State Development (ESD) On or After April 1, 2005, and Before April 1, 2009
 - AU-12.3, Employment Test for Businesses Certified by Empire State Development (ESD) On or After April 1, 2009
 - E — by an omnibus carrier or vessel operator in local transit service
 - F — for residential purposes
 - G — by a qualified Indian
 - If marked, enter both of the following: • qualifying tribe or nation _____
 - qualifying reservation..... _____
 - H — by manufacturers, processors, generators, assemblers, refiners, miners, and extractors
 - I — other SEE TSB-A-04(9)S
 - If marked, enter explanation NEW CAR DEALER PURCHASING GAS FOR RESALE

SALES TAX CREDIT - FUEL FILL

NYS DTF FORM FT-500

Page 2 of 3 FT-500 (9/11)

9. Mark an X in this box if you are filing this sales tax refund form together with a refund form for motor/diesel motor fuel tax or petroleum business tax for the same period. Attach invoices or other information as required by all forms and mail all forms in one envelope.

Certification: I, X, the applicant named above, or partner, officer, or other authorized representative of such applicant, do hereby:

- make application for refund of tax, pursuant to the New York State Tax Law; and
- certify that the above statements, and any documents provided to substantiate the refund claimed, are true, complete and correct and that no material information has been omitted; and
- certify that all of the tax for which this claim is filed has been paid, and no portion has been previously credited or refunded to the applicant by any person required to collect tax; or, if the claim for refund is made by a person required to collect tax, that the amount claimed has not previously been refunded to the appropriate purchaser; and
- certify that no amount claimed has previously been subject to a credit or refund; and
- make these statements with the knowledge that willfully providing false or fraudulent information with this document with the intent to evade tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence; and
- understand that the Tax Department is authorized to investigate the validity of the refund claimed and the accuracy of any information provided with this claim.

Authorized person	Signature of authorized person <u>X</u>		Official title <u>X</u>	
	E-mail address of authorized person <u>X</u>		Telephone number ()	Date
Paid preparer use only (see instr.)	Firm's name (or yours if self-employed)		Firm's EIN	Preparer's PTIN or SSN
	Signature of individual preparing this return	Address	City	State ZIP code
	E-mail address of individual preparing this return	Telephone number ()	Preparer's NYTPRN	Date

https://www.tax.ny.gov/pdf/current_forms/st/ft500i.pdf

MAILING ADDRESS:

NYS TAX DEPARTMENT
FUEL TAX REFUND UNIT
PO BOX 5501

ALBANY, NY

**Sales Tax Collection Charts
for Qualified Motor Fuel or Highway Diesel Motor Fuel
Sold at Retail**

The charts in this publication show the amount of the local sales tax component in any given pump price of a gallon of qualified motor fuel or highway diesel motor fuel. They are to be used to verify the sales tax due, **not** to establish pump prices.

Note: Use this publication **only** to determine the local sales tax in jurisdictions that impose and compute their sales tax on qualified motor fuel or highway diesel motor fuel using a percentage sales tax rate. This method does not apply in those localities that have changed to a cents-per-gallon method of computing the local sales tax due.

The pump price per gallon of fuel at each sales tax rate must include:

- federal tax (current rates are available from the Internal Revenue Service), and
- New York State motor fuel or diesel motor fuel excise tax and the petroleum business tax (see Publication 903, *Fuel Tax Rates*, for the applicable cents-per-gallon rates), and
- New York State sales tax (8 cents per gallon), and
- local sales tax, and
- Metropolitan Commuter Transportation District (MCTD) sales tax (¾ cent per gallon), if applicable. The MCTD consists of the city of New York and the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

Computing gross sales, taxable sales and self-use, and sales tax due:

Note: This publication contains two separate charts.

Part 1 provides the local sales tax component for jurisdictions outside the MCTD, where the state sales tax is 8 cents per gallon. **Part 2** provides the local sales tax component for jurisdictions inside the MCTD, where the state sales tax is 8¾ cents per gallon. Please be sure to reference the appropriate chart for the jurisdiction where you made taxable sales when performing the computations below. Using the incorrect chart will result in errors in your computations.

1. To compute gross sales:

- A. Subtract the New York State 8 cents-per-gallon and MCTD ¾ cents-per-gallon sales tax (if applicable) from the pump price.
- B. Subtract the local sales tax per gallon amount shown in the far right column of this publication for that pump price from the amount determined in step 1A above.
- C. Multiply the amount from step 1B by the number of gallons sold at that pump price.
- D. Add the resulting amounts for all pump prices.

2. To compute taxable sales and self-use:

- A. Subtract the New York State motor fuel or diesel motor fuel excise tax (see Article 12-A rates in Publication 903, *Fuel Tax Rates*, for the applicable cents-per-gallon rate) from the amount determined in step 1B above. This is the taxable base price for each gallon sold at that pump price.
- B. Multiply the taxable base price from step 2A above by the number of gallons sold at that pump price.
- C. Add the resulting amounts for all pump prices. This is your *taxable sales* amount.
- D. To compute your *taxable self-use*, subtract the New York State motor fuel or diesel motor fuel excise tax from your purchase price. Multiply the result by the number of gallons you removed from inventory for your use.
- E. Add the amounts from step 2C and 2D (your *taxable sales and self-use*).

For B20 biodiesel only: To determine the local sales tax on sales and uses of qualified highway B20 biodiesel, multiply 80% of the taxable receipt by the percentage rate for the jurisdiction. Therefore, you must multiply the result from step 2E above by 80% to determine your *taxable sales and self-use* of B20 biodiesel.

3. To compute sales tax due, multiply the taxable sales and self-use amounts from step 2E above by the local sales tax rate listed on Schedule FR, *Sales and Use Tax on Qualified Motor Fuel and Highway Diesel Motor Fuel*. This calculation must be done for each jurisdiction in which you made taxable sales or uses of qualified motor fuel or highway diesel motor fuel.



SALES TAX CREDIT – FUEL FILL

PUMP PRICE PER GALLON CHART

Pump price per gallon											Sales tax per gallon
Part 1 Jurisdictions outside the MCTD											
1%	1½%	2%	3%	3½%	3¾%	4%	4¼%	4½%	4¾%		
			488.1-491.5	469.8-473.0	422.7-425.5	396.5-399.1	373.5-376.0	353.3-355.7	335.4-337.6	319.3-321.4	13.8
			491.6-494.9	473.1-476.3	425.6-428.5	399.2-401.9	376.1-378.6	355.8-358.1	337.7-339.9	321.5-323.6	13.9
			495.0-498.3	476.4-479.6	428.6-431.4	402.0-404.7	378.7-381.2	358.2-360.6	340.0-342.2	323.7-325.8	14.0
			498.4-501.8	479.7-482.9	431.5-434.4	404.8-407.4	381.3-383.8	360.7-363.0	342.3-344.5	325.9-328.0	14.1
				483.0-486.2	434.5-437.3	407.5-410.2	383.9-386.4	363.1-365.5	344.6-346.9	328.1-330.2	14.2
				486.3-489.5	437.4-440.3	410.3-413.0	386.5-389.0	365.6-367.9	347.0-349.2	330.3-332.4	14.3
				489.6-492.8	440.4-443.3	413.1-415.7	389.1-391.6	368.0-370.4	349.3-351.5	332.5-334.6	14.4
				492.9-496.1	443.4-446.2	415.8-418.5	391.7-394.2	370.5-372.9	351.6-353.8	334.7-336.8	14.5
				496.2-499.4	446.3-449.2	418.6-421.3	394.3-396.8	373.0-375.3	353.9-356.2	336.9-339.0	14.6
				499.5-502.7	449.3-452.1	421.4-424.0	396.9-399.4	375.4-377.8	356.3-358.5	339.1-341.2	14.7
					452.2-455.1	424.1-426.8	399.5-402.0	377.9-380.2	358.6-360.8	341.3-343.4	14.8
					455.2-458.0	426.9-429.6	402.1-404.6	380.3-382.7	360.9-363.1	343.5-345.6	14.9
					458.1-461.0	429.7-432.3	404.7-407.2	382.8-385.1	363.2-365.4	345.7-347.8	15.0
					461.1-464.0	432.4-435.1	407.3-409.8	385.2-387.6	365.5-367.8	347.9-350.0	15.1
					464.1-466.9	435.2-437.9	409.9-412.4	387.7-390.0	367.9-370.1	350.1-352.3	15.2
					467.0-469.9	438.0-440.6	412.5-415.0	390.1-392.5	370.2-372.4	352.4-354.5	15.3
					470.0-472.8	440.7-443.4	415.1-417.6	392.6-394.9	372.5-374.7	354.6-356.7	15.4
					472.9-475.8	443.5-446.2	417.7-420.2	395.0-397.4	374.8-377.1	356.8-358.9	15.5
					475.9-478.7	446.3-448.9	420.3-422.8	397.5-399.8	377.2-379.4	359.0-361.1	15.6
					478.8-481.7	449.0-451.7	422.9-425.4	399.9-402.3	379.5-381.7	361.2-363.3	15.7
					481.8-484.7	451.8-454.5	425.5-428.0	402.4-404.7	381.8-384.0	363.4-365.5	15.8
					484.8-487.6	454.6-457.2	428.1-430.6	404.8-407.2	384.1-386.3	365.6-367.7	15.9
					487.7-490.6	457.3-460.0	430.7-433.2	407.3-409.6	386.4-388.7	367.8-369.9	16.0
					490.7-493.5	460.1-462.8	433.3-435.8	409.7-412.1	388.8-391.0	370.0-372.1	16.1
					493.6-496.5	462.9-465.5	435.9-438.4	412.2-414.6	391.1-393.3	372.2-374.3	16.2
					496.6-499.4	465.6-468.3	438.5-441.0	414.7-417.0	393.4-395.6	374.4-376.5	16.3
					499.5-502.4	468.4-471.1	441.1-443.6	417.1-419.5	395.7-398.0	376.6-378.7	16.4
						471.2-473.8	443.7-446.2	419.6-421.9	398.1-400.3	378.8-380.9	16.5
						473.9-476.6	446.3-448.8	422.0-424.4	400.4-402.6	381.0-383.1	16.6
						476.7-479.4	448.9-451.4	424.5-426.8	402.7-404.9	383.2-385.3	16.7
						479.5-482.1	451.5-454.0	426.9-429.3	405.0-407.2	385.4-387.5	16.8
						482.2-484.9	454.1-456.6	429.4-431.7	407.3-409.6	387.6-389.7	16.9
						485.0-487.7	456.7-459.2	431.8-434.2	409.7-411.9	389.8-391.9	17.0
						487.8-490.4	459.3-461.8	434.3-436.6	412.0-414.2	392.0-394.2	17.1
						490.5-493.2	461.9-464.4	436.7-439.1	414.3-416.5	394.3-396.4	17.2
						493.3-496.0	464.5-467.0	439.2-441.5	416.6-418.9	396.5-398.6	17.3
						496.1-498.7	467.1-469.6	441.6-444.0	419.0-421.2	398.7-400.8	17.4
						498.8-501.5	469.7-472.2	444.1-446.4	421.3-423.5	400.9-403.0	17.5
							472.3-474.8	446.5-448.9	423.6-425.8	403.1-405.2	17.6
							474.9-477.4	449.0-451.3	425.9-428.1	405.3-407.4	17.7



SALES TAX CREDIT – FUEL FILL TIPS

- ✓ open national account with gas company to easily track gas purchases for customer fills
- ✓ total gallons purchased should exceed gallonage claiming (demos, swaps)
- ✓ consider booking refund when submitted

SALES TAX CREDIT – FUEL FILL

SUMMARY

Complete Form FT-500 & attachments

Contractual obligation = apply for credit



SALES TAX CREDIT – FUEL FILL RESOURCES

<http://www.tax.ny.gov/>

- FT-500
- Publication 873 (8/16)
- TSB-A-04(9)S (April 7, 2004)