

**MOVING FORWARD  
IN 2018** ... see page 2

**SAVE THE DATE  
FOR TRAINING DAY...  
SEE PAGE 6**

**Happy  
New  
Year**

**ALSO IN THIS ISSUE:**

- Federal & State Legislative News.....see pages 4-11
- Selling and Buying: The Story of One Shop and How It Changed Hands..... see page 12
- The Top Three Tools for Better Estimating.....see page 14

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**WMDA/CAR**  
 1532 Pointer Ridge Place  
 Suite G  
 Bowie, MD 20716  
 301-390-0900  
 Fax: 301-390-3161  
 Website: www.wmda.net

**Jason Faust**  
 Executive Director  
 301-390-0900, ext. 115  
 jfaust@wmda.net

**Roy Littlefield IV**  
 Government Affairs Assistant  
 rlittlefield2@wmda.net

**Kirk McCauley**  
 Director of Member Relations  
 and Government Affairs  
 301-390-0900, ext. 114  
 kmccauley@wmda.net

**Debra Webster**  
 Finance & Member Services  
 301-390-0900, ext. 101  
 dwebster@wmda.net

**Jenise Wray**  
 Member & Program Coordinator  
 301-390-0900, ext. 113  
 jwray@wmda.net

**Graphic Designer**  
 Frank Lang

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## A MESSAGE FROM THE EXECUTIVE DIRECTOR: MOVING FORWARD IN 2018

by Jason E. Faust  
WMDA Executive Director

I walked into Martin's West for the Annual Expo and Awards Dinner having just six hours earlier accepted my new position as Executive Director of the Association. Up to that point, my contact with the Association was limited to several interviews with members of the Board and staff. They were great talks (in my mind) and I couldn't help but be drawn in by everyone's obvious dedication to the Association's past and future. But when I walked into the Expo, it was clear to myself that I had underestimated the real strength of this dedication. As I took in the Expo, all I could think was "WOW." No doubt there have been challenges, but like a real family, everyone seemed able to come together and have a great time. It reaffirmed I had made the right decision six hours earlier.

Through the interview process, and later on-the-job, I learned that the road to my first day, beginning way back in 1937, has been storied, particularly the two years prior (2016-17). Financial challenges and membership challenges have had

an impact on the Association – some negative, some positive, all probably debatable. But it can't be denied that each and every opportunity and struggle has made WMDA what it is today.

Lots more opportunities, and yes, hurdles, await us, but great strides have been made to put the Association back on solid level ground over the last two years. Several individuals in particular that probably would rather be left nameless because of their humility, have demonstrated an amazing energy to take action to accomplish this task. It is an important quality – we can all be dedicated without accomplishing a thing. Action is as important as dedication – together, with focus on a common goal, we will accomplish much.

2018 will be a rebuilding year marked by moments of great growth in terms of building value for our membership. We will focus on building or rebuilding the "infrastructure" of the

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2018 will be a rebuilding year marked by moments of great growth in terms of building value for our membership.

Association – the “pipes” if you will – that will effectively carry the message of value to our members. Plans are underway to re-organize the composition of the Board of Directors so that it may be more flexible in the way it represents the make-up of our membership. A new membership dues structure will be announced that emphasizes unity of our membership. And we will offer a fresh view on how we recognize the generous support we receive from our Associate Members and Sponsors.

We are working on a communications plan that will include announcing in mid-January (admittedly later than we hoped) all the firm and tentative dates of all the programs and events being planned for 2018. More frequent but well-orchestrated communication is a high priority. We learned at the November Board meeting from the question of one-time member, “What have you really accomplished?” that we really don’t toot our own horn enough, and/or effectively. We know the Association has accomplished loads – big and small – and moving forward, we are going to be sure to let our membership know it as well as the industry.

“Preparation” will also be a key priority. At the office, we are updating our computer systems and developing a training schedule that will make us power-users of our membership management system and more effective communicators via a number of media including Facebook. By the end of the year, we will introduce to the Board plans to further develop effective training and workforce development programs that will help our membership find new talent and develop the skills of their current workforce.

2018 will be the foundation of many great things to come for all of our members. I don’t take lightly the responsibility of stewardship that comes with my role and the legacy of our history – I am by nature an “old-soul.” But I also hope to bring a passion for the opportunities of the future, and fully believe that the recipe of dedication, energy, and preparation will lead to greater accomplishments in our next 80 years!

Happy New Year, and thank you for the opportunity to be a part of WMDA! ♦

## MEET JENISE WRAY

WMDA MEMBER & PROGRAM COORDINATOR



Greetings and Happy New Year!

I am pleased to be a member of the team here at WMDA and am enthused about the opportunities for the future as our relationship continues to build.

As we move into the new year, I will continue to facilitate effective member services, as well as coordinate and communicate vital details of all networking events which are designed to engage and inform our membership of valuable program benefits.

It is my pleasure to contribute to the mission of WMDA and I look forward to exciting times ahead.

If you need to contact me, I can be reached via email at [jwray@wmda.net](mailto:jwray@wmda.net) or by phone at 301-390-0900, ext. 113.

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# LEGISLATIVE UPDATE

## Reviewing the 2017 Legislative Year and Looking Ahead to the Challenges of 2018

by Roy Littlefield IV  
Government Affairs Assistant

2017 proved to be an interesting year in Washington. WMDA/CAR through SSDA-AT (Service Station Dealers of America and Allied Trades) spent much of the year lobbying on estate tax reform, individual tax reform, business tax reform, Obamacare repeal, infrastructure funding, and marketplace fairness in addition to other matters.

We expect 2018 to pose several legislative challenges and we will need full grassroots efforts from WMDA/CAR members.

We have stayed busy attending fundraisers, lobbying on Capitol Hill, participating in coalition meetings, conference calls, and meeting with regulatory officials. We expect these activities to increase during the next year.

In his first year in office, the President had limited success working with Congress to pass substantial legislation and

has thus throughout the year used executive orders to address Obamacare, cutting regulations, boosting energy exploration, and adopting a far more aggressive trade-enforcement posture.

Given the political landscape, we are planning for more legislative action to occur in 2018.

As we continue to anticipate the possibility of a massive infrastructure bill being moved in 2018, WMDA/CAR met with Alan Pisarski who served as a transportation and funding advisor on the Trump transition team. Pisarski led a discussion on funding and finance in our new world, with reauthorization behind us for a change, and a trillion dollar program of infrastructure in the wings. We later attended a White House briefing session on transportation funding. In addition, WMDA/CAR met with U.S. Congressman Lou Barletta (R-PA), Congressman Blake Farenthold (TX-27-R) and Senator Sheldon Whitehouse (D-RI) to discuss legislative options to finance President Trump's major infrastructure initiative. We also spoke with Jack Gerard, API President and CEO, who spoke about America's energy independence and the prospects moving forward.

Saving LIFO will remain a priority in 2018 for WMDA/CAR. If an infrastructure proposal worth one trillion dollars is proposed, funding for such a program will require funds from a variety of places. This would put repealing LIFO at risk, given that doing so would raise \$80-105 billion on a one-time hit. We remain active in the Save LIFO coalition and will continue to raise the importance of keeping the LIFO accounting system alive.

WMDA/CAR will continue to lobby on the Marketplace Fairness Act so that local family owned businesses in the tire industry can compete fairly with large online corporations. Both bills (House and Senate versions) take different approaches to ending unfair competition caused by this loophole, which puts brick-and-mortar retailers at a price disadvantage to remote sellers. This has been an important piece of legislation for WMDA/CAR members and we will continue lobbying efforts to gain support on these bills. We are disappointed that some members of Congress see this legislation as a tax increase when in reality, the legislation is needed to help community businesses compete.

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WMDA/CAR continues to take part in ongoing efforts to form a White House Conference on Small Business (WHCSB) under the Trump Administration. Recently, we wrote to the President respectfully requesting that he sign an Executive Order authorizing the next White House Conference on Small Business. The White House Conference on Small Business has not taken place in over two decades. That is far too long to go without giving voice and a forum to America's small businesses which account for 99 percent of U.S. private sector employers and 64 percent of net new private sector jobs. We have taken part in several conference calls focused on the formation of the WHCSB.

WMDA/CAR regularly attends the monthly Small Business Labor Safety (OSHA/MSHA) roundtable meetings. We recently learned that only 25% of OSHA inspections are in full compliance, so make sure your location is up to code.

Under the Trump administration we will see very few new regulations and thus far into his presidency Trump has repealed over 500 burdensome regulations. This included the rolling back of recently passed regulations such as the new recordkeeping regulation that WMDA/CAR opposed. We will continue to stay active on the regulatory front in 2018.

We continue to help SEMA on their bill, H.R. 350, the Recognizing the Protection of Motorsports Act of 2017 (RPM Act). WMDA/CAR and SEMA have worked closely on this bill. The RPM Act is co-sponsored by 118 members of the U.S. House of Representatives. The bill ensures that transforming motor vehicles into racecars used exclusively in competition does not violate the Clean Air Act. We hope to pass this bill in 2018.

We are pleased to report that the U.S. House Energy & Commerce Committee passed the RPM Act without amendment in December by a margin of 33-20, with affirmative votes from all of the committee Republicans and three Democrats: Schrader (OR), Loeb sack (IA), and Ruiz (CA). A number of Democrats (Ruiz, Dingell, Cárdenas, Green and Peters) have expressed a desire to support the bill. They contend no one opposes the conversion of motor vehicles into racing vehicles or the marketing of racing parts, noting that they are simply looking to ensure that the EPA will be able to enforce against tampering (installation of racing parts on street vehicles). Republican/Democrat committee staff have engaged in discussions on ways to amend the bill in order to address enforcement concerns but no language has been agreed to. We will keep you informed as things move forward along these lines.

In 2018, we expect potentially hundreds of bills around the country to be introduced on state and local levels that will impact the service station and automotive repair industry. WMDA/CAR will continue to be a leader in Maryland, Washington, and Delaware when facing these bills. We ask that you stay involved throughout 2018 and do your part to help yourself and the industry! ♦

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## 2018 TRAINING SESSIONS FOR TECHS & EXECS

### OWNERS

- Modern Day Marketing Strategies
- Succession Planning

### SERVICE ADVISORS & OWNERS

- Controlling the Daily Chaos for Service Advisors
- Are You Voiding Your Customers Warranty? What You Need to Know About Today's Fluids.

### A/B TECHS

- Starting/Charging System Diagnosis
- Diagnosing Honda's Variable Cylinder Management System
- J2534 Reflashing
- Wheel Alignment Principles
- A/C Systems & Service
- MSI Preparation Class – Preparing Your Tech to Pass the MSI Test
- Basic Automotive Electrical Principals

### GENERAL SERVICE/APPRENTICE TECHS

- Maintaining Car Count with Factory Scheduled Maintenance Services
- Basic TPMS Service



# House and Senate Pass President's Tax Bill

Reprinted from SSDA-AT Weekly Legislative News



The House passed H.R. 1, as amended by the Senate, and the bill will be signed into law by the President. Republicans were invited to the White House to celebrate.

WOTC continues under current law through December 31, 2019. Before that date we will have challenges if Speaker Ryan decides, as he's promised, to enact a major overhaul of the nation's welfare programs.

Welfare programs fall under the jurisdiction of Ways and Means, which will give Chairman Brady another chance to make a run at WOTC. For now though, let's honor the coming holidays for all of you who worked day and night in an intensive campaign – your splendid efforts won the struggle for WOTC.

A few thoughts – first after having read this tax bill over the last few days, this is a VERY COMPLICATED tax bill and contains many more changes than the highlights would lead one to think. My initial thoughts are that the new pass-through provisions make most of the other tax code sections look like they're simple! I can just imagine the hundreds of pages of IRS regulations we're going to see on just this section alone. It appears that upper middle class taxpayers who itemize and live in states with higher state and local income taxes and/or have higher property taxes will end up with a tax increase right away – and will do better when and if the provisions sunset in 2025.

On the positive side, many non-service small businesses

who operate as pass-throughs will end up ahead. A lot of the changes we worked on with the conferees were included in the final bill – for instance, trusts and estates are now entitled to use the pass-through deduction, pass-throughs are entitled to take advantage of the state and local income tax and property tax deduction, the cut off for allowing 100% deduction of business interest and cash method of accounting went with the higher \$25 million threshold and we were able to retain the step up in basis.

A big loss, that was initially reported as a win, is that the AMT is retained for individuals with a fairly low exemption. Initially this was reported as the exemption increasing up to \$500,000 for an individual and a \$1 million for a couple. What was raised to that level were the threshold amounts which is not nearly as important for most small business owners.

One final thought – it will be interesting to see what the aftershocks will be of such a major piece of tax legislation. In the past a tax bill of this magnitude would have been vetted over a number of years and the public and tax experts would have been able to weigh in with their concerns and suggestions. Businesses will barely have time to process the changes, almost all of which start immediately. There will be unintended winners and losers and the IRS will have a huge role in developing regulations to implement this monster of a bill, with a reduced budget. Stay tuned!

See [Business and Individual Provisions of the Tax Bill on pages 8 and 9.](#)

## BUSINESS PROVISIONS

### C Corp Rates

21% for C Corps and Personal Service Corps. This rate would be effective for tax years after 2017 and would be permanent. Would reduce the 80% dividends received deduction to 65% and the 70% dividends received deduction to 50%.

### Bonus Depreciation

Companies would be able to immediately write off the full cost of investments in their businesses, starting with assets purchased and placed in service after September 27, 2017 and before January 1, 2023. Thereafter, the deduction will phase out by 20% each year through 2026.

### Section 179

Section 179 deduction would be increased from \$500,000 to \$1 million with an increased phase-out threshold at \$2.5 million. These amounts will be indexed for inflation starting in 2019. The definition of qualified real property would also be expanded to include improvements made to nonresidential real property including roofs, heating and air-conditioning property.

### Research and Development Credit

Retained in its current form.

### Availability of Cash Method of Accounting

The average gross receipts threshold for using the cash method would be permanently increased from \$5 million to \$25 million.

### Employer Credit for Paid FMLA

A new credit would be added for 2018 and 2019 for wages paid to employees on FMLA if certain conditions are met.

### Deduction of Business Interest

Businesses would only be able to deduct net interest expenses up to 30% of their adjusted taxable income. For taxable years beginning after December 31, 2017 and before January 1, 2022, adjusted taxable income is computed without regard to deductions allowable for depreciation, amortization, or depletion or the Section 199 deduction (domestic manufacturing deduction which is repealed in the bill). Businesses with annual gross receipts of \$25 million or less would not be subject to the 30% limit.

### Qualified Retirement Plans

Generally not impacted – though some concern that unless language is fixed in technical corrections, retirement plan contributions for pass-throughs may not be as advantageous because contribution would be against the qualified business income which would have a lower tax rate than the personal income tax rate, but when taken out of the plan would be subject to the higher personal income tax rates.

### Capital Gains and Dividends Rates

No change.

### Non-Qualified Deferred Compensation (409A)

No change.

### Contributions to Capital

Added provision providing that capital contributions aren't excludable from taxable income unless they are made by a shareholder, potential customer, or government entity. Provision in House bill dealing with the inclusion in gross income of contributions to capital of a partnership in excess of fair market value of interest received is not included in final bill.

### Technical Termination of Partnership

Technical termination rule would be repealed. Partnership would be treated as continuing even if more than 50% of the total capital and profit interests of partnership were sold or exchanged.

### Pass Through Provisions

If the individual makes \$157,500 or less (or \$315,000 or less in the case of a joint return), indexed, the individual taxpayer would receive a 20% deduction on "qualified business income" from a partnership, S Corporation or Sole Proprietorship. If the individual makes more than \$157,500 (or more than \$315,000 in the case of a joint return), then the deduction from "qualified business income" would be the greater of (i) the sum of 25% of the W-2 wages with respect to the trade or business plus 2.5% of the unadjusted basis, immediately after acquisition, of all "qualified property" or (ii) 50% of the W-2 wages with respect to the trade or business. Once the \$157,500 (or \$315,000) threshold is hit, a "qualified trade or business" does not include a service business. "Qualified business income" would not include reasonable compensation paid to the taxpayer by any qualified business for services rendered with respect to the business. "Qualified property" is defined as tangible property subject to depreciation, held by a qualified trade or business and used in the production of qualified business income. It is the first alternative for calculating the wage limit which is seen as helping real estate businesses with large capital investments but few employees to qualify under the pass-through provisions.

There would be a phase in of \$50,000 for individuals or \$100,000 for joint returns. A specified service means those performing services in the fields of health, law, consulting, athletics, financial services, brokerage services or where the reputation or skill of one or more of its employees or owners or dealing with investing and investment management trading or dealing in securities, partnership interests or commodities. Note that this definition excludes engineers and architects. The deduction would be allowed to nonitemizers as well as those that itemize. Trusts and estates would be eligible for the 20% deduction. These provisions would all sunset in 2025.



## INDIVIDUAL PROVISIONS

### Estate and Generation Skipping Transfer (GST) Tax

From 2018 through the end of 2025 estate and GST exemptions would double. In 2026, the exemptions would revert back to their current levels, indexed for inflation.

### Gift Tax

From 2018 through the end of 2025 the gift tax exemption would double. In 2026, the exemption would revert back to their current levels, indexed for inflation.

### Step-Up in Basis

Retained in its current form.

### Low Income Housing Credit

Retained in its current form.

### ACA

Individual mandate repealed.

### Mortgage Interest Deduction

Deduction limit reduced from \$1 million to \$750,000 and limited to debt incurred on the principal residence or a second home. Starting next year, no deduction will be allowed for interest on home equity loans. These changes would sunset in 2025. Taxpayers could continue to exclude sale proceeds from the sale of a principal residence as under current law.

### Graduate and Undergraduate Tuition Waivers

No change.

### Standard Deduction

Increased to \$24,000 for joint, \$18,000 for unmarried with at least one child, and \$12,000 for single filers. These increases would sunset at the end of 2025 and revert to current levels.

### Personal Exemptions

Eliminated until 2025.

### Child Tax Credit

Increased to \$2,000 with an increased phase-out of up to \$400,000 for married taxpayers. Increase the amount of

the credit that is refundable from \$1,000 to \$1,400. These provisions would sunset at the end of 2025.

### Non-Dependent Credit

Added \$500 credit for dependents and other children until the end of 2025.

### Family Flexibility Credit

No added provision.

### Dependent Care Flexible Savings Accounts

No change.

### Number of Tax Brackets

Seven.

### Top Rate

37%.

## PROVISIONS COVERING INDIVIDUALS AND BUSINESSES

### AMT – Alternative Minimum Tax

Corporate AMT repealed. Individual AMT retained with a higher AMT exemption (starting at \$109,400 for joint and \$70,300 for single) for the years 2018 through 2025. Phase-out of exemption amounts would be increased to \$1 million for married taxpayers filing jointly and \$500,000 for single taxpayers. This means that the exemption amount is not phased out until the alternative minimum taxable income exceeds these phase-out amounts. The increase in the individual AMT exemption sunsets in 2025. The repeal of the corporate AMT is permanent.

### State and Local Tax (SALT) Deduction

Deduction for state and local income, sales and/or property taxes capped at \$10,000. This provision sunsets in 2025. Cannot pre-pay income tax for 2018 in 2017. Not clear if property taxes can be prepaid in 2017 for 2018. State and local tax deduction maintained for corporations and pass throughs.



# KIRK'S KORNER

## Legislative News for Our Members

by Kirk McCauley  
Director of Member Relations & Government Affairs

### NEW REGULATION ON REFRIGERANTS TAKES EFFECT JANUARY 1, 2018

In the last three weeks I have had requests for information on EPA regulations on refrigerants that take effect January 1, 2018 and how it will affect our members. Actually the effect should be minimal as long as you only service mobile A/C units that are in motor vehicles.

EPA regulations have been in place since the 1990 Clean Air Act for refrigerant recovery and recycling. The regulation also stated only certified technicians could purchase ozone depleting substances (ODS) under section 608 or 609 of the Clean Air Act.

The new regulation covers hydrofluorocarbons (HFCs) a major source of greenhouse gas. It provides that:

- Technicians that have a section 609 certification on mobile A/C units that are used in motor vehicles; there is no requirement to recertify.
- Technicians that have a section 608 certification can also

purchase refrigerant that is intended for stationary A/C units along with mobile units.

- Small cans are exempt from new regulations (2lbs or less) and can continue to be manufactured and sold as long as they have self sealing valves.
- Wholesalers that sell refrigerant for resale are responsible for verifying that the purchaser has 608 or 609 certification or one of his/her employees has proper certification for refrigerant being purchased.
- Wholesalers are also responsible for keeping records of purchases including the name of purchaser, date of sale and amount of product sold.

This link offers a good source for information and certification if needed: [https://www.macsw.org/WEB/MACS/Certification/Section\\_609\\_Certification.aspx](https://www.macsw.org/WEB/MACS/Certification/Section_609_Certification.aspx).

### MAGNUSON MOSS WARRANTY ACT

This is legislation that matters to to all WMDA/CAR members as it provides both protection for consumers and freedom of choice.



# WMDA PAC

## THE POLITICAL ACTION COMMITTEE

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As most of our shops know, this act states that Dealers/Manufacturers cannot deny or void a warranty if a non-factory aftermarket part was installed by the consumer or independent repair facility. Since this Act went into effect in 1975 there has been one major problem; most consumers do not know or understand their rights under the Magnuson Moss Warranty Act (MMWA). Dealerships do not always tell a purchaser (not required) about their rights and, to the contrary, advise them to return to the dealership to keep the warranty intact.

Do not accept this as dealerships are purposely misleading consumers as I think most owners are honest. In most cases, salesmen and service writers might not understand the MMWA or care to tell consumers about it. In any case, consumers are spending billions of dollars every year on maintenance services that could be done just as efficiently by independent repair facilities at considerable savings.

MMWA covers all aspects of car repair and maintenance. The bottom line is the consumer has a choice to return to the dealership or use an independent repair shop when having service performed. To that end WMDA/CAR has joined an effort started by the Car Care Association (which represents after market parts manufacturers) to have a bill introduced in Maryland's 2018 legislative session that will require new car manufacturers to advise buyers of their right under MMWA in a single page statement or in the warranty section of their manual. WMDA/CAR believes this single page or paragraph has untold benefits to our businesses and consumer benefits in time saved, convenience, and cost.

WMDA/CAR is working on bill sponsors and has been meeting with House and Senate members. We would also like to meet with new car dealer groups to be transparent and come to an agreement on a bill. As soon as a bill is drafted I will send it out because along with our own CAR committee we will need help from all our repair facilities.

## MARYLAND LEGISLATION FOR 2018

I think all of these bills will be back after being defeated last year, along with tobacco age and other labor bills.

- Predictive scheduling was defeated last year but it will be back this year.
- I fully expect to see a minimum wage bill again this year.
- Sign bill that would make stations post their C.C. price or their highest price for regular.
- Overtime rule for salaried employees.

## HB 1 PAID LEAVE

Democratic legislators are adamant that a HB 1 veto will be overturned when the new session starts on January 10. Governor Hogan has offered to work with the legislators on an emergency compromise bill with key points being:

- Phasing in with 50 employees in 2018, 40 employees in 2019 and 25 employees in 2020.
- Incentives to provide paid leave to all employees with tax credits for those businesses that provide leave that have less than 25 employees.
- Businesses under financial hardship could apply for a temporary waiver.
- Leave could be used with no questions asked.
- Removes punitive damages from the bill that would have owners acting in good faith subject to severe civil penalties.

There is more but you get the idea and I do not think for a minute there will be a compromise. The only hope, and it's a small one, is to get a couple of votes in the Senate to sustain the veto of HB 1. ♦

# THANK YOU TO OUR ADVERTISERS

**We would like to thank all our members who have advertised in the 2017 editions of the WMDA/CAR News. Your continued kind support is greatly appreciated!**

**As we carry out plans for 2018 editions, we are hereby extending an invitation to all members to advertise in all or select editions throughout the year. Don't miss this opportunity to reach more than 700 members and generate new sales!**

**Contact us today for more details on how to promote your business across the membership in Washington DC, Maryland and Delaware.**



## CAR TALK

### Selling and Buying: The Story of One Shop and How It Changed Hands

by Sandi Weaver, BA Auto Care  
and Stephen Powell, Thoroughbred Transmissions & Auto Care, Inc.

The name Clyde McLaughlin has been mentioned in our articles before. Clyde and his partner Chris McConnell opened Chesapeake Import Services in Annapolis, Maryland in 1991. Clyde is the man behind our endorsed supplier program for WMDA/CAR – mainly the PPC Lubricants/Castrol deal. So why are we bringing Clyde up again? He's done it, and by it, I mean he sold his shop.

A little background on Clyde, Chris and Chesapeake Import Services: Clyde and Chris both started out as technicians at dealerships but didn't meet until they were working at independent shops. Like many of us, they knew they could run a shop and do it better. They started small and within a short time were ready to expand to the 8,000 square foot, 9-bay facility where Chesapeake Imports is now located.

Fast forward to 2012 when they started entertaining the idea of selling their business and were curious as to the overall value of the business. They approached a large organization specializing in appraisals to put a value on the business.



Clyde McLaughlin and his partner Chris McConnell opened Chesapeake Import Services in Annapolis, Maryland in 1991.

Based on that experience, this is not a process they would recommend for others looking to do the same thing.

In 2016 they found a small firm who gave them a more accurate appraisal allowing the shop to be marketed to a





few possible buyers. Shortly thereafter, Clyde's neighbor, Rick, showed interest in buying the company and by the next year it was sold. After the transition, Clyde retired while Chris continued to work at the shop as an employee.

Clyde's advice when you are looking to sell your shop is much like the advice of other sellers – get your finances in order and start planning 3-5 years in advance.

The other side of selling your business is finding the buyer.

We've written a few articles about selling your business, but what does a buyer look for when shopping around for a shop? I asked Rick Sharpe, the new owner of Chesapeake Import Services, what drove him to invest in this business and the automotive industry in general.

Rick wasn't looking to specifically buy an auto repair shop, he was looking to buy a service business. When someone

suggested he buy Chesapeake Imports, his first response was "but I'm not a mechanic, I can't own a shop." Rick soon learned when looking to buy a repair shop, or any business for that matter, you don't have to know how to do the work as long as you have the people around you who do.

Having been a part owner of Hallmark stores with his family, Rick knew owners don't have job descriptions, they do what they have to, mainly managing people with a side of handyman services (fix what needs to be fixed). This applies to our industry as well.

These days if you are looking for a technician to buy your shop, you could be waiting a long time. In today's market, most of the buyers searching to buy an auto repair shop are every day business people, including doctors (yes I said doctors – I met three doctors who left practicing medicine to buy their own repair shops) and engineers, and pretty much anyone else looking for a good investment.



**Rick Sharpe is the proud new owner of Chesapeake Import Services. He purchased the business from Clyde and Chris in 2017.**

Some of the key things a buyer is looking for are a self-running shop, solid financial records, and a well maintained building. During Rick's search for a company, he went to tour a transmission shop that was up for sale because the owner passed away unexpectedly and his widow wasn't interested in running the business. The financials weren't perfect but what turned Rick away most was the way the building appeared. In this aspect it's very similar to selling a house. Buyers don't want to see dirty walls, stained carpet and a run down building.

Learning both sides of the sale can really help everyone know what to do when wanting to sell their shop. We look forward to sharing more stories with you. ♦

# The Top Three Tools for Better Estimating

Article provided by Mitchell 1



When it comes to repairing vehicles, there's a lot of room for error throughout the entire process. One of the most critical elements of the automotive repair process, even for the most experienced of repair shops, is the estimating process.

Estimates are exactly that – estimates. By their very nature they may need adjustment. That said, accurate estimates are one of the most important facets of your business and finding ways to increase accuracy can have a positive impact on your bottom line.

To help you provide the best level of service to your customers, here are our top three Mitchell 1 tools for providing better automotive repair estimates.

## 1. EXTENSIVE AUTO REPAIR INFORMATION

First of all, when it comes to helpful tools for estimating automotive repairs, you must have reliable parts and labor information. **ProDemand** is packed full of tools for diagnostics and repair, and estimating tools that have been used and trusted by generations of auto service professionals.

When it comes to calculating accurate repair estimates, **Pro Demand's** powerful car repair estimator helps make writing estimates fast, easy and accurate. Labor times are based on a comprehensive database that has been developed using a methodology proven over time. Other features include OEM part numbers with detailed illustrations and manufacturer suggested retail prices (MSRP), fluids information, and the ability to customize the estimate by editing labor times, adding parts manually, adding or deleting lines, and moving lines in the estimate to group items together.





## 2. A ROBUST AUTO SHOP MANAGEMENT SYSTEM

Having estimating integrated with your shop management system is a must have for auto repair businesses. The integration allows you to write accurate estimates and link to all the repair information needed to complete the repair from a single application. Of course, the management system also lets you track your customers' history at your shop, manage invoices, integrate with marketing and accounting applications, and incorporate many other time-saving functions all in one place.

An example of this integration is the **Manager SE** auto shop management software with ProDemand Estimating, allowing you to add parts and labor to your shop management estimates and work orders faster and easier than ever before. Once the estimate becomes a repair order, you can also quickly attach OEM scheduled maintenance services, wiring diagrams and specifications to give the technician a head start on the repair

Fast and accurate estimates mean your technicians can work more efficiently, but you can also impress your customers with your professionalism. The repair estimate you present to your customer is often the first impression they have of your business. And experts say that a first impression can dictate the trajectory for all future interactions and even affect your likelihood of keeping that customer. With as much power as the first impression carries, ensuring you can provide your customers with an accurate estimate should be considered a

top priority for your auto repair shop.

## 3. AN INTEGRATED MOBILE SHOP MANAGEMENT TOOL

Having a comprehensive auto shop management system is a great way to improve efficiency and build accurate estimates, but there is another simple thing you can do to build estimates that will supercharge your productivity, sales, customer retention and overall shop image. Go mobile! Incorporating the flexibility of a mobile system will give you the ability to further streamline your processes, including estimating.

With mobile, you can meet the customer at their car, take any necessary photos and scan VINs, create quick estimates and write technician checklists. **Mobile ManagerPro** is the mobile version of Manager SE, and it comes with all the same features but with the added convenience of being able to take it everywhere with you. Just take your Mobile Manager Pro tablet with you, enter in the appropriate information for the repair, and the repair estimate is ready to go.

The integration of complete estimating labor times and parts pricing with your desktop and mobile shop management application puts your shop one step ahead of your competitors.

*This article was brought to you by Mitchell 1 Shop Connection. Visit <http://mitchell1.com/shopconnection/> for more tips and tricks for shop owners, managers, and technicians.* ♦





# WMDA/CAR ENDORSED Membership Benefits & Services Providers

If your business needs any of the following products or services, be sure to check out these companies endorsed by WMDA/CAR.

### ATM MACHINES

## INTELCOM, INC.

Intelcom, Inc.  
Larry Shapero  
1-877-666-6269  
Email: intelcom@verizon.net

### AUTO PARTS SUPPLIER



Parts Authority  
Stan Bailey  
202-829-6315  
Email: sbailey@partsauthority.com

### CASTROL BUYING PROGRAM – BULK OIL AND PREMIUMS



PPC Lubricants  
Gene Nace  
1-717-215-7253  
Email: gnace@ppclubricants.com

### CONVENIENCE STORE PRODUCTS



Century Distributors, Inc.  
15710 Crabbs Branch Way  
Rockville, MD 20855-2620  
www.centurydist.com  
Tel: 301-212-9100 • Fax: 301-212-9681

Century Distributors, Inc.  
Lori Rodman  
301-212-9100  
Email: lrodman@centurydist.com

### CREDIT CARD PROCESSING



First Merchant Services  
Dan Cohen  
1-866-511-4367, ext. 105  
Email: dcohen@firstmerchant.us

### ELECTRICITY PROGRAM



Sprague Energy (MAAGIC)  
Tom Gussen  
732-440-0039  
Fax: 732-440-0031  
Email: tgussen@spragueenergy.com

### INSURANCE – LIABILITY, WORKERS' COMP, HEALTH INSURANCE

*Benjamin F. Brown  
Insurance Agency*



Benjamin F. Brown Insurance Agency/  
UTICA/Meadowbrook  
Ben Brown or Berry Brown  
1-800-861-3434  
Email: berry@benbrown-ins.com

### LEGAL SERVICES



Astrachan Gunst Thomas, P.C.  
Peter Gunst  
410-783-3523  
Email: pgunst@agtlawyers.com

Lynott, Lynott & Parsons, P.A.  
James L. Parsons, Jr.  
301-424-5100  
Email: jparsons@lplawfirm.com

### LEGISLATIVE & REGULATORY INFORMATION



WMDA/CAR  
Kirk McCauley  
1-800-492-0329, ext. 114  
Email: kmccauley@wmda.net

### TRASH/DUMPSTER BROKER



Premier Waste Group  
Ian Djuric  
410-490-3769  
Email: premierwaste6@gmail.com

### WEBSITE DESIGN & MANAGEMENT



Net Driven  
1-877-860-2005  
Email: sales@netdriven.com

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Simply participate in all of the programs for which you are eligible and you will save or make enough to pay for your membership in WMDA/CAR!



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*"PPC Lubricants give me a great price on Premium Castrol branded products and a bulk program that will knock your socks off and then I get this check in the mail for a quarterly rebate...What's not to like?" - Ken Quasney Auto Sense*

*"I have hear it before, best price, largest selection, good service and a quarterly rebate, but I said 'what the hell... WMDA did the homework, I will give it a try'. Boy I am glad I did! PPC Lubricants delivered in spades, plus a big check!" - Dave Taggart Superior Auto Service*

*"We work on a lot of high end cars and needs a supplier that we can depend on, not only for service but a broad range of quality products. PPC not only supplies that product, but they supply it at a price that makes sense. The quarterly rebate and the amount was a complete surprise!"*

*- Clyde McLaughlin Chesapeake Import Service*

