



# DEALER TAX WATCH

## DEALER TAX WATCH OUT

If you had called me personally to ask, "What's happening lately with IRS audits of dealers and dealerships that I need to know about?" ... Here's what I'd say:

### #1. AMERICAN JOBS CREATION ACT OF 2004 ...

**SOME TIDBITS FOR DEALERS.** Just before the November elections, Congress approved and sent to President Bush its third major piece of tax legislation for 2004. The President signed the American Jobs Creation Act of 2004 (AJCA) on October 22, 2004.

The AJCA contains several hundred changes which are intended to give taxpayers \$137 billion in tax relief ... and, of course, to create \$137 billion in additional tax revenues to compensate for that relief.

Out of all of these changes, we've selected three for particular attention. Two of them are revenue raisers. That means, "watch out," they could affect you negatively. Here we're talking about the absence of any specific relief for Oldsmobile dealers and about new limitations on the ability to deduct certain corporate aircraft costs and expenses.

On the other hand, we've selected one "tax break" that, at first glance, may seem like it doesn't fit in with auto dealerships at all. But after you've read pages 3-4, maybe you'll think otherwise.

### #2. AICPA NATIONAL AUTO DEALERSHIP

**CONFERENCE.** The AICPA 10<sup>th</sup> Annual National Auto Dealership Conference was held October 21-22, 2004 at Caesars Palace in Las Vegas. We've selected 4 presentations from this Conference to mention in our report.

We think you'll find Larry Miller's thoughts and ideas on his "practical approach to dealership acquisitions" to be extremely valuable. Our coverage begins on page 5.

### #3. PORC UPDATE CONFERENCE REPORT.

After a hiatus of a few years, while the IRS was trying to figure out what really was going on in the world with PORCs and what it was going to do about it, this

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excellent 2-day conference reappeared with a superb faculty on November 4-5, 2004.

The Conference, sponsored by CreditRe, had the all-encompassing title: *Economic, Tax and Regulatory Issues of Risk Transfer on Automobile F & I Products*. Of course, "F & I" refers to "Finance & Insurance." If you've a taste for PORC, our review of this Conference begins on page 9.

## LOOKING FOR ADDITIONAL & "VALUE ADDED" SERVICES FOR DEALER CLIENTS?

Look no further... Just use the *Dealer Tax Watch* for a head start in golden consulting opportunities and activities to help dealer clients—and, in the process, to help yourself.

see DEALER TAX WATCH OUT, page 2

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