



3925 River Crossing Parkway, Third Floor  
Post Office Box 40368  
Indianapolis, Indiana 46240-0368

Tel: 317.472.2200 - 800.469.7206  
Fax: 317.208.1200  
www.somersetcpas.com

## Breaking News Affecting Dealerships

### *Indiana Sales Tax*

We have some great news to share! Recently you received the Winter issue of our newsletter, *Overdrive*. We would like to update you on the information we discussed in the article entitled, “Audits...Audits...Audits: Large Assessments from the IRS, the State of Indiana and Your Manufacturer.” When we went to press, the Indiana Department of Revenue (IDR) was performing sales tax audits and assessing significant sales tax bills relating to manufacturer employee discount plans (e.g., A-plan, greenslip, etc.) pursuant to Bulletin #28S that was issued in October of 2007.

We are happy to announce that the efforts of the Automobile Dealers Association of Indiana have paid off, and the IDR has revised and re-issued Bulletin #28S. They now will not consider any reimbursement the dealer receives from the manufacturer as part of the sales price. Below is the portion of Information Bulletin #28S, dated February 2008, pertaining to this matter:

“An **Employee discount** is when an automobile manufacturer has an automobile purchase plan for its qualified employees or qualified employees of an affiliate as determined in a management agreement with the manufacturer’s employees. Pursuant to the program, the employee may purchase a vehicle from an authorized dealership at a predetermined price. If the dealer receives a reimbursement from the manufacturer for the benefit of the employee, the reimbursement is not included in the sales price.”

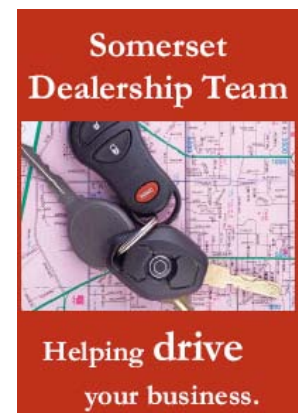
### *Doc Fees*

The Attorney General’s Office has raised the safe harbor amount dealers can charge for Doc Fees to \$150, a substantial increase from the previous amount of \$99.50.

### *Somerset Dealership RPMs*

We will be discussing both the sales tax and doc fee issues at our Dealership RPM meeting on February 20. (An invitation was enclosed in *Overdrive*.) Other topics we plan to discuss include compliance problems and pitfalls in the F & I Department and ways to improve net profitability. Please visit the Seminars page of our web site—[www.somersetcpas.com](http://www.somersetcpas.com)—for details and to register. We hope you and your management team can join us.

To receive breaking news and Dealership RPM invitations via email, please send a message to [info@somersetcpas.com](mailto:info@somersetcpas.com). If you have any questions or would like a full copy of the most recent IDR Bulletin #28S, please contact a member of our Dealership Team at 317-472-2200 or 800-469-7206.



Accounting  
Assurance  
Construction & A/E  
Dealerships  
Dental

Employee Benefits  
Entrepreneurial  
Health Care  
Information Solutions  
Litigation & Valuation

Manufacturing & Distribution  
Not-for-Profit  
Real Estate  
Tax  
Wealth Management

