

DE FILIPPS UNIVERSITY
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**Taxation of Manufacturer / Factory Upgrade
Program Payments to Automobile Dealers**
July 31, 2013
... Earn 2.0 hours[†] of CPE



DE FILIPPS UNIVERSITY AUDIO SEMINARS

Practical Tax Updates, Insights & Training for Dealership CPAs & Controllers

***Taxation of Manufacturer /
Factory Upgrade Program Payments
to Automobile Dealers***

July 31, 2013
1:00 PM - 3:00 PM Eastern
Live Audio Seminar

UPCOMING DE FILIPPS UNIVERSITY AUDIO SEMINARS

- * *LIFO Applications, Methods, Indexes & IRS Audit Exams ... Aug. 7, 2013*
- * *LIFO Inventories ...
Combining, Splitting, Rebasing & Revaluing LIFO Pools ... Date TBD*
- * *Tax & Penalty Provisions Lurking in Health Care Reform ...
An Overview of Traps for the Unwary ... Date TBD*

Visit us at www.defilipps.com for more on our upcoming
Audio Seminars & our Library of available Program Recordings

TAXATION OF MANUFACTURER / FACTORY UPGRADE PROGRAM PAYMENTS TO AUTOMOBILE DEALERS

July 31, 2013
1:00 to 3:00 PM
(Eastern)

Despite significant reluctance, and even pushback, from dealers and the National Automobile Dealers Association (NADA), dealerships continue to be pressured by manufacturers to upgrade their facilities and “voluntarily” participate in programs that the manufacturers (i.e., the Factories) have designed to “assist” them in their participation. Some manufacturers have continually modified their programs as some dealers resist participation or try to negotiate their own participation under more favorable terms.

To date, the IRS has provided little - if any - guidance of precedential value relating to how dealers should be reporting these payments for Federal income tax purposes. As a result, dealers and their CPAs have been exposed to different opinions on the subject, and speakers at NADA Convention workshops have either intensely debated the tax issues or studiously avoided them.

This audio seminar will provide an in-depth, updated review of these payments and the tax treatments dealerships should consider for them. It will also discuss the pros and cons of alternative tax reporting positions.

Learning Objectives: After completing this course, participants will be able to evaluate the tax and non-tax ramifications of manufacturer/Factory facility upgrade programs. They will be able to advise dealership clients more thoroughly on the tax treatments for these payments and discuss the implications of taking more “aggressive” positions with respect to these payments in income tax returns. They will also be able to discuss the relationship between the changes made by the new capitalization and repair Regulations and related opportunities available to reduce their tax impact.

Program Content Topics:

- * Evaluating the tax and non-tax ramifications of manufacturer/Factory facility upgrade programs
- * Case law, Code and Regulations related to the taxation of manufacturer payments received by automobile dealerships
- * Informal guidance issued by the IRS regarding the tax treatment of payments received from manufacturers
- * Pros and cons of taking “aggressive” positions with respect to reporting these payments for tax purposes
- * Tax return disclosures relating to treatment of manufacturer payments
- * Importance of the “new” capitalization and repair (Tangibles) Regulations and the treatment of dealership improvements made in the normal course of expanding activities or under image upgrade programs

Register at www.krm.com/wjd*

* **De Filippis University Subscribers** ... Please contact Kristin Lavery (at kristin@defilippis.com or 847-577-3977) to register for this seminar or to obtain a recording. *Not a Subscriber?* Visit www.defilippis.com for more information on how to become a *De Filippis University* Subscriber.

How De Filippis University Audio Seminars Work

Willard De Filippis’ live audio seminars (teleconferences) require only a telephone connection. For the \$279 per-site registration fee (per seminar), an unlimited number of listeners at one listening site can participate and be updated on these important topics.

Questions & Answers: Ample time will be provided for participant questions and answers. Mr. De Filippis welcomes questions e-mailed in advance of the seminar to will@defilippis.com.

Certificates of Completion/Attendance for CPE purposes are available: For this seminar, one (1) Certificate of Completion/Attendance is included in the site registration fee. **Additional Certificates** may be purchased for any participant listening at your site for an additional fee of \$29 per Certificate. *CPE attendance confirmation certificates are not available in connection with the On Demand Audio Recording version of this presentation.*

Continuing Professional Education Information

Field of Study: Taxes ... For this seminar, applications are exclusively for CPAs, dealership controllers and other advisors to franchised automobile and truck dealerships.

Learning Objectives: See above.

Program Content Topics: See above.

Program Level: Update / Intermediate.

Program Prerequisites: Basic familiarity gained over 1-2 years’ experience working with automobile and truck dealerships.

Advance Preparation Needed: No advance preparation is required. A detailed course outline and supplementary reference materials are provided to participants prior to the presentation (via an Internet link to a printable PDF file).

Recommended Continuing Professional Education (CPE) Credit: 2.0 hours[†] for participation in this live seminar. *(Please note that one 50-minute period is equal to one CPE credit.)*

Delivery Method(s): Group-Live Teleconference (i.e., Audio Seminar) with “Question & Answer” time provided throughout the session. To hear this live Teleconference / Audio Seminar, participants only need a telephone connection. An Internet connection and the URL and valid course code (which will be provided prior to the live presentation) are necessary in order to access and print the course materials.

Course Registration Requirements: None, other than registration through www.krm.com/wjd (or 800-775-7654) and payment of the \$279 site registration fee (per seminar). An unlimited number of listeners at one listening site location can participate, be updated and ask questions on these important topics.

*For more information regarding **Refund, Complaint and Program Cancellation Policies**, please contact our offices at (847) 577-3977.*

Seminar Leader & Course Developer:



Willard De Filippis, CPA has over 40 years of experience as a consultant to CPA firms in automobile dealership matters and with LIFO (Last-In, First-Out) inventory valuation issues. All of his experience has now been consolidated into [De Filippis University](http://DeFilippisUniversity.com), an online resource center for automobile dealer CPAs and LIFO users/consultants. He is editor and publisher of the *Dealer Tax Watch* and the *LIFO Lookout* and a frequent speaker at national association meetings and conferences, including NADA and the AICPA National Auto Dealership Conferences.

Mr. De Filippis is recognized as one of the nation’s leading experts in dealership tax issues, including the application of the LIFO inventory method to dealership inventories. He is widely appreciated and recognized for his astute analysis of current developments and for his willingness to share his conclusions, practices and practical suggestions with other practitioners.



[†]Willard J. De Filippis, CPA, PC is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org.

Program Recordings Available[†]

An **On Demand Audio Recording** of the full 2-hour audio seminar (which includes a PDF file of Mr. De Filippis’ detailed presentation outline and all supplementary materials) is available for purchase at www.krm.com/wjd on the “Recordings” tab following the live airing of the presentation. For seminar registrants, the price for accessing these 2-hour On Demand Audio Recordings is \$179; for non-registrants, the price for access is \$279.

Restrictions: CPE Certificates of Completion / Attendance are **not** available in connection with the On Demand Audio Recordings of these presentations. Also, these recordings are **not** currently available for purchase by individuals / firms who are residents of Illinois.