RSGDA

REPAIR SHOP & GASOLINE DEALERS ASSOCIATION
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Inside This Issue

All Alcohol and Tobacco Training Policy:

Effective 01/01/2025, all alcohol and tobacco trainings must be paid for prior to a certificate being issued for non-members. Members have 30 days to pay their balance from the time the certificates are issued.

Any past due balances for trainings must also be paid before new certificates are issued.

File Your FINCEN BOI Report Immediately

The US Government has issued a warning that it expects very high traffic on its FinCen BOI reporting site during the final two weeks of December. This may lead to the site crashing or outages during this period. You must file your BOI report online – no paper copies will be accepted. If the report is not filed online by December 31st you will be in violation and susceptible to a $500 per day and a criminal penalty not more than $250,000 or imprisonment for not more than 5 years, or both. Delays in filing caused by inoperability of the site will not be considered mitigating circumstances.

Filing Your FinCen BOI Report

We have been reporting the necessity for our membership to file a FINCEN BOI report. Although there are several legal challenges to the requirement to file the report and the possibility of legislative action to modify the requirement for filing deadlines, the requirement still stands as of this moment. One legal challenge was successfully upheld, but the Department of the Treasury has claimed that the challenge only applies to the plaintiffs in the case, and not all pertinent members.

There have been several companies that have solicited businesses to file the form for them. While some may be legitimate, there is no reason to pay them for something that takes only a few minutes to do online. Worse yet, some of these solicitors are scammers, trying to obtain your business and personal information for the purpose of stealing your identity.

Several videos have been posted which purport to explain step-by-step instructions for filing the BOI report online. Many of these are incomplete, or worse yet contain inaccurate statements. After reviewing several videos and comparing them to the guidelines published by the Department of the Treasury, the best video we have found is:

https://www.youtube.com/watch?v=HxBmPsF5Ufc

To file a report online go to

https://fincen.gov/boi

Some things to remember:

1. Even if you are exempt, you are still required to file a BOI report. You simply check the box indicating that you are exempt, and enter the required information'
2. Request a FINCEN ID number. It will make future filings easier.
3. Businesses which were created before January 1, 2024 must file before January 1, 2025.
4. Businesses which were created this year are required to file the report within 90 days of the effective date of their registration.
5. Businesses which are created after January 1, 2025 are required to file this report within 30 days of the effective date of their registration.
6. Should any information for your business change, such as a change of address for the business or any owner or a change in the business ownership, you must update the filing within 30 days.

BOI Filing Requirements for Dissolved Businesses

If your business was dissolved before January 1, 2024 then you should not file a BOI report.

If your business was dissolved after January 1, 2024 you must file two reports:

- A primary one indicating the beneficial owners of the company.
- A secondary one indicating its change to exempt status. (This is done by checking a box indicating its change to exempt status.)

SSDA-AT Calls for Action on Right to Repair

SSDA-AT has issued a compelling call to action for members of the House Energy and Commerce Committee to support the Right to Equitable and Professional Auto Industry Repair Act (REPAIR Act), HR 906.

This critical bipartisan legislation, led by Dr. Neal Dunn (R-FL), aims to preserve consumer access to affordable and high-quality vehicle repair services in an era of rapidly advancing automotive technology.

A recent Consumer Reports survey highlighted a significant consumer preference for independent repair shops over dealerships. The April 2024 survey found that when it comes to automotive service facilities, Consumer Reports members overwhelmingly prefer independent shops and, in some cases, chains over dealerships.

The survey indicated that independent shops received higher overall satisfaction scores compared to any other category of service facilities. This clear consumer preference underscores the necessity of legislation that ensures consumers retain the freedom to choose their repair service providers.

Modern vehicles, often described as "computers on wheels," can contain over one hundred million lines of code. This innovative technology requires specific parts, manuals, diagnostic tools, and more. When these resources are restricted by vehicle manufacturers, it significantly hinders the ability of the more than 150,000 independent repair shops in the United States to compete. The REPAIR Act aims to eliminate these barriers, fostering open competition, driving innovation in the repair market, and creating more affordable repair options for consumers.

SSDA-AT's call to action emphasizes the critical need for legislative support to move the REPAIR Act forward. By supporting the REPAIR Act, lawmakers can ensure that vehicle owners retain the freedom to choose their repair facility and access a variety of affordable and high-quality repair options.

SSDA-AT urges the House Energy and Commerce Committee to support this pivotal legislation and expedite its passage. By doing so, they can ensure that the REPAIR Act becomes a cornerstone of consumer rights and market fairness in the automotive industry, safeguarding the interests of vehicle owners and independent repair shops alike.

Numbers: What Employee Benefits Are You Offering?

Retention starts by providing your team with benefits that incentivize work and offer peace of mind. According to the 2024 Ratchet+Wrench Industry Survey Report the following are the most common benefits shop owners reported to offer, but some shop owners also find creative ways to compensate employees:

- Vacation days: 91%
- Uniforms: 83%
- Sick days: 72%
- Training reimbursement: 65%
- Health insurance: 68%
- Retirement plan/401(k): 60%
- Disability insurance: 35%
- Parental leave: 29%
- Life insurance: 22%
- Equipment reimbursement: 20%

Numbers: Cash is (Still) King

In 2024, more consumers are choosing to repair their existing vehicles rather than purchase new ones. This trend is driven by soaring prices for new and used cars* and continued economic uncertainty.

Independent auto repair shops provide consumers a more economical alternative, supported by the availability of high-quality aftermarket parts and skilled technicians. Repair shops that effectively meet customer expectations remain profitable and sustainable.

As shown in the 2024 Ratchet+Wrench Industry Survey Report, in the 400 shops polled, median annual revenue fell between $750,000 and $999,999 are the median business model.

- Under $250,000: 9%
- $250,000-$499,999: 9%
- $750,000-$999,999: 11%
- $500,000-$749,999: 8%
- $1,000,000-$2,499,999: 39%
- Over $2,500,000: 19%
- Unknown: 5%

*The average new car price is $47,500 (Worldpac)

Numbers: Technician Efficiency

The 2024 Ratchet+Wrench Industry Survey includes the Tech Report section. In this section we ask our readers about the performance of their technicians from different measurable KPIs. As we can see from the results, efficient shops are profitable shops. As reported by survey respondents, 42% of auto repair shops hit an efficiency between 80-100%, and 37% hit productivity in the same range. Under the hood, 58% of technicians spend between 2-3 hours on a repair.

Efficiency:

- Less than 80% 27%
- 80-99% 31%
- 100–109% 11%
- 110–129% 5%
- 120–139% 4%
- 140% or more 4%
- Does not track 18%

Productivity:

- Less than 80% 26%
- 80-89% 23%
- 90–99% 13%
- 100–109% 8%
- 110–119% 3%
- 120% or more 4%
- Does not track 22%

Average Time Spent on Repair:

- Under 2 hours 12%
- 2-2.5 hours 36%
- 2.5-3 hours 22%
- 3-3.5 hours 14%
- Over 3.5 hours 16%

NHTSA Fines Ford $165M, Orders Overhaul of its Process for Issuing Recalls

Ford will have to pay out $165 million to the National Highway Traffic Safety Administration for being too slow to issue a recall and giving the agency inaccurate information, reports Associated Press.

U.S. law requires an automaker to submit a defect report to NHTSA within five days of becoming aware of a safety defect in any of its vehicles.

Ford had first received warranty claims related to faulty rearview cameras in early 2020, with a Ford committee meeting on it in May. It wasn't until September 2020 that a recall for over 620,000 vehicles in the U.S. was issued.

Prior to that, NHTSA had reached out to Ford in July 2020 about complaints it was receiving of faulty rearview cameras. A month later, at a meeting with NHTSA, Ford revealed data it had on several 2020 models with high rates of camera failure.

About a year after Ford issued the recall, NHTSA began investigating whether the automaker's timeliness was sufficient.

In a consent order this week, NHTSA said the penalty was due to Ford being too slow to issue a recall, providing the agency with inaccurate or incomplete information, and not submitting required quarterly reports about additional recalls. Ford has disagreed with these assertions, according to the order.

Now, Ford will have to pay a $165 million civil penalty—the second largest ever dolled out by NHTSA, second only to what Takata paid for its faulty airbag inflators.

In addition, Ford must cooperate with an independent entity will be supervising its recall performance obligations for at least three years. The automaker will also need to review all recalls it's made over the past three years, determine if they were sufficient, and issue new ones if necessary.

Changes will also need to be made to Ford's recall decision-making process, including how it identifies safety defects and investments in technology that can trace parts by vehicle identification numbers. Ford has said its plan to achieve this is to put $45 million into advanced data analytics, a new document system, and a new testing lab.

NHTSA Launches Two Investigations Into Ford After Issuing Massive Civil Penalty

Just after agreeing to pay a $165 million civil penalty to the National Highway Traffic Safety Administration, Ford is now facing two more investigations into recalls it issued this year, Reuters reports.

The $165 million penalty in question was issued over Ford being too slow to issue a recall for defective rearview cameras in its vehicles. In addition to the penalty, Ford must review all recalls it's issued over the past three years, and to issue new ones if necessary.

Now, Ford is in hot water again for recalls it's issued, NHTSA shared this past Monday; the first of which being a February recall over seat belt issues.

That recall applied to 77,000 Ford Expedition and Lincoln Navigator SUVs. Since then, NHTSA has received three complaints of seat belt retractor pretensioners suddenly deploying, with individuals describing a loud sound followed by the seatbelt tightening and locking up.

NHTSA is now investigating whether Ford will need to issue an additional recall for 112,000 Ford Expedition SUVs that may still be at risk of the issue.

The other recall was issued this past April, and covered around 456,000 Bronco Sport and Ford Maverick vehicles. A rapidly degrading 12-volt battery had made these vehicles prone to loss of power and electrical system failure.

Though Ford's remedy was to implement software updates to optimize detection of the battery's charge state, NHTSA has received 15 reports from those who received the update yet still experienced loss of power.

This investigation will be to determine whether Ford's prescribed solution actually addressed the issue. Ford has said it will be working with NHTSA in both of these investigations.

Stellantis Sues Fifth Automotive Parts Supplier, Brose

Stellantis is suing its parts supplier Brose over price increases, according to CarScoops.

Having threatened a shipment pause in August 2023 unless Stellantis agreed to a price increase, Brose reached an agreement with the automaker in Nov. 2023; but now, according to Stellantis, the company is going back on its word.

The latest lawsuit from Stellantis was prompted after a two-day shutdown at Brose's Windsor facility.

This marks the fifth supplier Stellantis has sued. Prior to this, the most recent supplier the automaker sued was in July, also over price increases. In August, a lawsuit was also filed against a dealership that attempted to return unsold fleet vehicles, with Stellantis facing another legal challenge later that month from shareholders disappointed with declining profits.

"We recognize that the volatility in the automotive industry has significantly impacted relationships between the supply base and OEMs," Brose said in a statement. "Our main goal is to protect our business and employees, as we are committed to finding reasonable solutions to support our customer relationships. We remain hopeful for a resolution that allows our partnership to continue."

Stellantis Reveals New Platform for Producing Electric, Hybrid, and Gasoline Vehicles

Stellantis has revealed the new platform it will use for assembling gasoline, hybrid, and electric vehicles, as well as a change in plans for its EV production, reports Reuters.

The company's new vehicle system, STLA Frame, will support full-size trucks and SUVs. The automaker first announced plans for the Frame platform in 2021, and this past Tuesday said that Jeep and Ram vehicles would be the first to use it.

Battery electric vehicles on Frame will have 500 miles of range, according to Stellantis, in addition to a 14,000-pound towing capacity. Hydrogen and extended-range vehicles will also be supported on the platform.

Stellantis CEO Carlos Tavares said that the company would also be delaying production of its electric Ram pickups to the first half of 2025.

Tavares cited a need for quality assurance as well as a heavy workload as factors behind the decision.

"We are just facing a very significant amount of workload," Tavares said.

Mazda Unveils New Internal Combustion Engine to be Released in 2027

Mazda recently unveiled a new internal combustion engine that is set to debut in its vehicles in the next few years, according to Ecoticias.

While many automakers are focusing on production of EVs, hydrogen fuel cell vehicles, and hybrids, Mazda's new engine is not an alternative to the internal combustion engine, but a variation of it.

The four-cylinder engine, called Skyactiv-Z, is expected to debut in 2027. Eventually, it will replace the internationally sold Skyactiv-X engine and the Skyactiv-G engine in North America.

Using a Lambda 1 air-fuel ratio, the Skyactiv-Z engine emits fewer tailpipe emissions when driving at full power, and offers improved fuel efficiency and performance.

Hyundai Unveils Hydrogen Fuel Cell Concept to Be Produced Next Year

Hyundai will soon begin producing a hydrogen fuel cell vehicle called Initium, according to Inside EVs.

Set to be unveiled this month at the Los Angeles Auto Show, the Hyundai Initium will be powered by a hydrogen fuel cell system, running on a 201 horsepower motor and holding 404 miles of range on one tank.

Production of the Initium is expected to begin as soon as next year.

Features of the vehicle will include bidirectional charging with vehicle-to-load and vehicle-to-home capabilities, with enough power to sustain a typical Korean home for around 10 days, according to a Hyundai official.

The Initium is expected to serve as a replacement for Hyundai's Nexo FCEV crossover, which holds 378 miles of range and 40 fewer horsepower.

Hydrogen-Powered Vehicles Struggling in EV-Focused Infrastructure

Though advances continue to be made in hydrogen-powered vehicle technology, improvements in infrastructure are needed before they can reach the level of battery electric vehicles, reports Popular Science.

Sergey Paltsev, a senior research scientist at the MIT Energy Initiative and deputy director of the MIT Center for Sustainability Science and Strategy, broke down what exactly is hindering hydrogen-powered vehicles from flourishing right now.

With a decrease in battery prices and a preexisting electrical grid, EVs are having a much smoother transition onto U.S. roads than hydrogen-powered vehicles.

"It's not just the cost of the car," added Paltsev.

Indeed, it isn't necessarily the hydrogen-powered vehicle itself that brings high costs, but the current lack of resources to support such a vehicle, such as inadequate fueling infrastructure, energy-conversion inefficiencies, and high prices for hydrogen fuel.

While there are more than 68,000 active public EV charging stations across the U.S. right now, there exists just 55 public hydrogen fueling stations in the country, with nearly all of them being in California.

Of the hydrogen fueling stations that do exist, drivers have often run into problems with them, which was the subject of a recent class action lawsuit against Toyota.

Though we may not see many hydrogen-powered vehicles in the next few years, that doesn't mean the technology isn't on its way. In countries like Japan, where drivers face high electricity costs, the idea of hydrogen fuel has much appeal.

Additionally, battery-electric vehicles can be inefficient in areas such as rail and commercial trucks, which are typically hauling heavy loads and don't require as many fuel stops. If this technology takes hold in these sectors, it may lead to more infrastructure becoming available for conventional hydrogen-powered vehicles.

Paltsev noted that geopolitical issues may lead to battery materials becoming hard to access, as well, potentially paving a path for hydrogen-powered options as well.

"Nothing is going to change next year, or probably not in the next five years, but there are brighter pathways for hydrogen cars," said Paltsev.

Hyundai's New Device Injects Water Into Electric Vehicle Batteries To Fight Fires

Hyundai Motor Group has unveiled its latest device for combatting electric vehicle fires, according to Inside EVs.

EV fires can happen fast, but have a far-reaching impact and require hours to extinguish, such as the fire at a Rivian plant this summer that destroyed over 50 vehicles—the cause of which is still unknown.

The issue of EV fires continues to be a problem the automotive industry is seeking solutions to, especially Hyundai. The company has developed a remote control firefighting robot, a fire extinguishing blanket, and now, a drill lance that ejects water.

Inserted under an EV with an adjustable handle, the device is equipped with a drill that will penetrate the battery and inject it full of water from a hydrant. It was built with the intent of quickly extinguishing fires on cargo ships.

While it typically takes hours to drench an EV battery sufficiently enough so that it won't spread, Hyundai Glovis—which created the device and operates as Hyundai Motor Group's logistics arm—has claimed the drill lance is capable of eliminating a fire in less than 30 minutes.

Hyundai Glovis did not elaborate, however, on whether the risk of a thermal runaway exists from the drill piercing the battery. A trial run with the drill lance will be conducted with 32 of Hyundai's car carriers, and afterward its chartered vessels.

Honda's Solid-State Battery Prototype Could Be a Game Changer for Electric Vehicles

Honda gave a look into its plans to produce prototypes of solid-state batteries that it hopes to mass produce by the late 2020s, according to Green Car Reports.

Construction on a 295,000-square-foot facility in Sakura City that was completed this past Spring will be used to develop a process for producing the batteries, Honda shared last Thursday.

With equipment having just been installed in the facility, Honda plans to begin making cells this January as part of a demonstration production line.

The company's production process is based on liquid-electrolyte lithium-ion cells, with a roll-pressing step added to increase the density of solid electrolyte layers. Honda added it's taken other measures, such as bonding the positive and negative electrodes, in order to optimize the process.

Commercialization of this battery is slated for the second half of the 2020s, for not only the automotive industry but aircraft and motorcycles as well, in an effort to make the product financially viable through a wide range of uses.

Earlier this year, Honda CEO Toshihiro Mibe had shared that solid-state batteries could potentially make way for the production of a small affordable EV by 2030, by offering a higher range and lower cost to product.

$15M Raised to Develop Electric Vehicle Batteries That Charge in 10 Minutes

Researchers with Harvard University have developed a solid-state battery for electric vehicles that can fully recharge within 10 minutes—and have just received funding to produce a pilot line of them, reports Electrek.

The batteries are made with a lithium metal anode, which has allowed ions to attach to the surface of the silicon particle and not penetrating further, allowing for an even surface and more efficient plating and stripping.

$15 million has now been raised by Adden Energy as part of a Series A round led by At One Ventures to launch a roll-to-roll pilot line production facility for the batteries, and eventually bring the technology to automakers.

Adden Energy has shared that by 2028, it expects its batteries to help EVs achieve parity with internal combustion engines.

"With the added energy density of lithium metal anodes, the cost per kilowatt hour may drop by 30%, and that is going to be a significant driver of adoption.

Incoming Trump Administration to Roll Back Electric Vehicle Tax Credits

The transition team for the incoming Trump administration is making plans for how to eliminate the $7,500 consumer tax credit for electric-vehicle purchases, reports Reuters.

A part of President Joe Biden's Inflation Reduction Act, ending the EV subsidy would be a slow to an alreadylagging transition to EVs in the U.S.—something Elon Musk expressed earlier this year.

In an earnings call this past July, Musk said that elimination of the subsidy would only slightly harm Tesla sales, but would be much more damaging for rising EV competitors in the U.S.

In October, the Alliance for Automotive Innovation urged Congress to retain the EV tax credits in order for the U.S. to remain on track as a leader in automotive technology and manufacturing.

The energy transition team, led by oil industry businessman Harold Hamm and North Dakota Governor Doug Burgum, has acknowledged that eliminating the EV subsidy would be difficult, as money has already begun to be dispersed; including in Republican-majority states where they're being well-received.

Fuel Retailers Urge Congress to Pass Short-Term Tax Package

NATSO, SIGMA: America's Leading Fuel Marketers and NACS lent their voices to a coalition of nearly 40 organizations and industry associations urging Congress to enact a short-term tax package to ensure energy and agriculture market stability until lawmakers can debate long-term tax policy in the 119th Congress.

American consumers face substantial rising energy and fuel prices amid significant market uncertainty stemming from the expiration of longstanding energy tax policies and a lack of regulatory guidance for new tax policies scheduled to take effect in 2025, the organizations said in a Nov. 13 letter addressed to the U.S. House of Representatives and Senate.

The organizations representing a broad group of energy and transportation providers, consumers and agriculture believe a short-term energy package that incorporates several proposals to extend fuel tax credits for an array of alternative fuels, including the biodiesel blenders' tax credit, could help give the industry time to understand and adjust to new tax structures.

In 2025, federal lawmakers will confront major tax policy expirations, the majority of which stem from the 2022 Inflation Reduction Act. Without broad, holistic reforms and extensions in the tax system, the coalition believes the combination will create severe economic headwinds for businesses and consumers.

In the meantime, bipartisan legislation H.R. 9060, introduced by Representatives Mike Carey (R-OH), Annie Kuster (D-NH) and Claudia Tenney (R-N.Y.), would extend the biodiesel blenders' tax credit for one year. Additionally, Sen. Chuck Grassley (R-Iowa) voiced support for a tax package that includes the biodiesel tax credit and 20 tax credits that "must be passed."

According to NATSO, biodiesel and renewable diesel have historically been the most widely used biofuels in commercial trucking. The biodiesel blenders' tax credit directly lowers the cost of diesel fuel for truck drivers, which in turn reduces shipping costs and helps lower the prices consumers pay for goods transported by truck.

Extending the credit would potentially ensure that motor carriers can continue to cut carbon emissions within existing fleets while also keeping fuel prices and consumer costs down.

US Vehicle Miles Traveled Rise in August, Year-to-Date Total Sets New High

U.S. motorists took to the roads in August, with total vehicle miles traveled topping levels seen in July and in August 2023, the Department of Transportation said on Tuesday.

Motorists traveled an estimated 294.2 billion miles during the month, up by 800 million miles from July. It was also 3.3 billion more than the total in August 2023, according to DOT's Federal Highway Administration.

The month brought year-to-date travel to 2.192 trillion miles, 19.9 million miles more than at the same point in 2023, according to DOT data. It was the highest year-to-date travel reading for August since DOT began keeping records in 1999, topping the previous year-to-date high of 2.182 trillion miles in 2019. Travel and gasoline demand have struggled to return to the pre-pandemic levels of 2019.

OPIS DemandPro data, which is based on weekly surveys of more than 30,000 U.S. retailers, showed same-station gasoline sales in August were down by 5.1% from August 2023 and 25.5% below the same month of 2019.

DOT data divides the country into five regions, with four – the South-Atlantic, North-Central, South-Gulf and West - all registering year-to -year increases in August travel. The gains ranged from a 2.4% jump in the South-Gulf region to a 0.4% increase in the South-Atlantic. August travel in the North-East region fell by 0.2% year to year, DOT said.

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FDA Issues Warnings Over Vapor Products Resembling Smart Devices

The U.S. Food and Drug Administration (FDA) issued warning letters to nine online retailers and one manufacturer for selling and/or distributing unauthorized disposable e-cigarettes with designs and functionalities that resemble smart technology, including phones and gaming devices.

The products cited in the warning letters are advertised as having a variety of designs and functions that may appeal to youth, such as the ability to play games, connect to a smartphone, receive text or call notifications, play music, or personalize products with custom wallpaper.

"These products may resemble smart devices, but there's nothing smart about them," said Brian King, director of the FDA's Center for Tobacco Products (CTP). "They're illegal to sell and a flagrant attempt to target kids."

The FDA said part of the reason the products are likely to appeal to youth is the way the designs potentially help conceal the nature of the products from parents, teachers, or other adults. All of the products lack authorization from FDA to be legally marketed in the United States.

In addition to the violations mentioned in the warning letters, the retailers and manufacturer were told to address any violations that are the same as, or similar to, those stated in the letter and promptly take any necessary actions to comply with the law.

Failure to promptly correct the violations can result in additional FDA actions, such as an injunction, seizure and/or civil money penalty.

To date, FDA has issued more than 700 warning letters and filed civil money penalty complaints against more than 75 manufacturers and more than 150 retailers for distribution and/or sale of unauthorized tobacco products.

The FDA has authorized 34 e-cigarette products and devices and maintains a one-page flyer of all such authorized products that retailers can consult to determine which products may be lawfully marketed and sold in the U.S.

Joint Operation Crackdown Nets 76M in Illegal E-Cigarettes

The U.S. Food and Drug Administration (FDA), in collaboration with U.S. Customs and Border Protection, seized approximately 3 million units of unauthorized e-cigarette products, with an estimated retail value of $76 million.

The seizures were part of a July joint operation to examine incoming shipments and prevent illegal e-cigarettes from entering the country.

The team worked for several months to review shipping invoices, identify potentially violative incoming shipments and complete other investigative work that led to this successful seizure. Upon examining shipments, all of which originated in China, the team found various brands of illegal e-cigarettes, including Geek Bar and others. In an alleged attempt to evade duties and detection, most of these unauthorized e-cigarettes were intentionally misdeclared as items with no connection to vaping products and with incorrect values.

The operation was carried out through the efforts of a joint federal task force, which the FDA and other agencies created earlier this year to streamline interdepartmental cooperation

When Is The Best Time To Have Your Clerks Certified To Sell Tobacco?

Now, before your clerk fails a sting. If your certified clerk fails a sting, you receive one point against your license. If another certified clerk (because you fired the first one) fails a sting, you will have a second point against your license. It is not until the third certified clerk fails a sting that your lottery and tobacco license will be pulled. Even in this case there is a benefit, after serving your suspension, the three points will be removed.

If an uncertified clerk fails a sting, you will receive two points against your license. Let's say you train your clerks then. The next failed sting will add another point, making three points. Your license will be pulled for a year, and there is nothing you can do about it. It still makes sense to have your clerks certified after the first failed sting for two reasons. A certified clerk is less likely to fail that second sting. If they do, the three points will be removed from your license after you serve your suspension. If you don't have your clerk certified, only three of your four points will be removed and you will be well on your way to another suspension or revocation.

A certified clerk is much less likely to sell to underage customers, meaning you are less likely to have to deal with the hassle of a failed sting. It just makes good business sense to certify your clerks. Remember training them is not the same as certifying them.

ONE MORE THING TO DO TODAY. CHECK YOUR CLERKS CERTIFICATION. IT EXPIRES AFTER THREE YEARS. IF YOUR EMPLOYEE'S CERTIFICATION IS EXPIRED, IT IS THE SAME AS IF IT NEVER EXISTED.

For more information on certifying your clerks call the association at 518-452-4367

Florida Drivers Unknowingly Sold Used Vehicle With Defective Airbags, Seatbelts

More and more dangerous vehicles are being sold off of used car lots to unsuspecting consumers, making it more important than ever for automotive repairers to be vigilant.

A report from ABC Action News revealed the story of U.S. Navy veteran Gilbert Santiago, who purchased a 2022 Volvo S60 from a used car dealer in Brandon, Florida, called HGreg.

Though HGreg claims to conduct multipoint vehicle inspections on every car it sells, Santiago quickly ran into problems with the vehicle. Soon after purchasing it, an airbag light came on, instructing for the vehicle to be taken to a dealer immediately.

What Santiago didn't know is that the vehicle had been returned just six months prior by a customer who found problems with the front airbag and seatbelt pretensioner. He experienced an airbag warning light, rusted driver's side airbag, incorrect parts, and tampered wiring.

However, HGreg has refused to refund Santiago for the vehicle, leading to him paying $6,000 out of pocket for new airbags—but if what the previous customer said about the seatbelt pretensioner was true, that alone is not sufficient to make the vehicle safe again.

ABC Action News arranged for Santiago to meet with them and Chris Wallin, a master technician at Brazzeal Automotive in Tampa, to ensure everything was alright with the vehicle; but that would not be the case.

Though a diagnostic test showed no problems, Wallin moved to examine the interior door panel, where he found the seatbelt pretensioner system disconnected from the wiring harness. Instead, there were wires wrapped in electrical tape, holding a resistor.

"What they've done is just take a resistor that matches the resistance that the pretensioner is supposed to have and just kind of shoved it in that wiring harness to trick it into thinking it's got a good pretensioner," explained Wallin.

For a driver that's a victim in a situation like this—and, as NHTSA has warned, there's an alarming number that are—diligent and trained technicians can be the difference between safety and tragedy.

A few months ago, a technician with L1 Automotive Training shared his story of a used car dealer bringing a vehicle in that had the same setup, and the confrontation between the two that followed.

"This infuriates me beyond all belief," said Keith, a tech at L1. "There is someone who is going to buy this car, and give it to their wife or their son or their brother, and someone's going to ride with them, and they're not gonna know. And it may not even be this owner of the car. It may be years down the road."

Stewart's Shops Pauses Tap-to-Pay Option

Stewart's Shops halted its tap-to-pay credit card services after the convenience store retailer discovered several instances of fraud at the chain's New York-based locations.

According to ABC News 10, the company first noticed the fraudulent activity starting on Oct. 19. Scammers apparently used fake card information to purchase cigarettes and alcohol, and though the card terminal would approve the transaction, no money was ever exchanged, according to a Stewart's representative.

Affected stores included locations in Greene, Ulster and Orange counties, but no customer information was in jeopardy. The state police are currently investigating the

According to Investopedia, this form of contactless payment generally offers a major advantage over traditional magnetic stripes, which are more vulnerable to scams like swipe readers and can be more easily duped. However, thieves may still be able to use their smartphones to clone chip card information if they're close enough to a customer, even if the cards themselves can't be duplicated.

Stewart's Shops stated the opening for this particular scam may have been due to a software bug, which the company is working to address. However, no timeline has yet been given as to when the tap-to-pay system will be back up and running.

Your Inspection License May be Worth Money

Depending on where you are located, it may be possible to sell your license. Before merely turning it in, contact the association for further information.

DMV Record Retrieval

DMV record retrieval is available to association members and affiliates at a cost of $12 per record. Additionally, you may order DMV certified paper abstracts of driver's license, vehicle registration, and vehicle title records for an additional fee of $2 per abstract. Please call (518) 452-4367, (585) 924-4423, (607) 723-1849 (315) 455-1301or (716) 656-1035

The SOP: Should I Add my Spouse to the Payroll?

Nancy Williamson, Ivan Rioja-Scott

Ratchet+Wrench spoke to Williamson to find out how auto shop owners—with shops that bill over $100K—should approach payroll solutions to maximize their profits.

As founder and CEO of an accounting firm that services the auto repair industry, I talk to many shop owners who believe hiring their significant owner ("S.O.") is a great way to reduce the taxes paid to the IRS.

Listen to me carefully—the most expensive way to pay taxes is to pay yourself and your family members W-2 wages. Let me state that another way: there are many ways that you can legally remove money from the company. Paying a W-2 wage pays the most tax to the IRS.

So, let's review how to take funds from the company. We will focus primarily on the two most common entity structures: sole proprietorships (including LLCs that file as disallowed entities) and the famous S-Corp.

If your shop is organized as a sole proprietorship, you will pay yourself by removing money from the company and recording it as an owner draw. This works great until the business's net income reaches $100K (on average.). At that time, you should consider electing S-Corp status or forming a new entity that can be taxed as an S-Corp. This will save the self-employment taxes paid on your net income. If you currently employ your S.O. in the business, ensure that your S.O. receives health insurance and has access to any retirement plans in the company, but don't pay them a W-2 salary.

Once you elect S-Corp status or if you are already organized as S-Corp, the owner MUST be paid a reasonable W-2 wage. The IRS requires this, and a particular line item on the S-Corp tax return shows how much is paid to the owner. Now, "reasonable" is subjective, and remember that paying yourself too much in W-2 wages will unnecessarily cost you. There are many ways to determine what is reasonable. Still, the bottom line is that you should consider paying yourself only what you would consider paying another employee to complete your job duties – and not a penny more. There are also reasonable compensation studies that can be completed to support the market wage that you are paying yourself. If your shop is profitable enough and you would like to pay yourself more, then take the money out as a shareholder distribution (like the sole proprietorship option.) Remember to make quarterly estimated tax payments because when you take a distribution, no taxes are paid to the IRS.

If your S.O. is currently working in the business, consider paying them enough to allow them to contribute to the company 401K plan fully. Many shop owners start offering a SEP or Simple plan because it is cheaper to implement. However, the benefits of the 401K plan far outweigh the administrative costs due to the much higher contribution limits allowed for each employee. Each employee can contribute $23,000 in 2024 towards a 401K plan and an additional $7500 if the employee is over 50. The company and the employee pay social security and Medicare taxes on the wages paid and contributed. However, the savings from deducting the wages from the company's net income should outweigh the cost of these self-employment taxes. If the company matches the 401K contributions of the employee, the S.O. will also receive this benefit. This option would allow the S.O. to take advantage of group life insurance plans, education assistance, and other benefits offered by the company. Further, if both spouses are employed, you may be able to take advantage of the childcare tax credit. The childcare tax credit requires both spouses to have compensation. On the downside, remember that you may have to pay workers' compensation insurance on your S.O.'s salary.

In summary, hiring your significant other should be considered when your income and benefits in the business are maximized to create a win-win scenario. Please consult your tax advisor to ensure you legally minimize your tax liability before deciding.

Fuel Retailers Prepare Today for the Forecourt of the Future

Tammy Mastroberte

While not much has changed with combustible fuel over the past five years other than price fluctuations, options at the fuel island and on the forecourt are evolving. They include biofuels such as ethanol-based E15 and E85, as well as electric vehicle (EV) charging stations.

In fact, ethanol adoption has seen its greatest growth in the past five years — albeit mostly in the Midwest states such as Iowa, Missouri, Kansas, Illinois and Minnesota.

"We've seen the greatest growth in the past five years because of the adoption of E15," said Cassie Mullen, director of market development at the Renewable Fuels Association (RFA), based in St. Louis. "It's an easy fuel for the retailer to incorporate because of existing compatibility of infrastructure and because many major oil companies embraced the blend and are encouraging the offering as well."

Meanwhile, electric vehicles only accounted for 1% of all registered vehicles in the United States as of the third quarter of 2023, according to an Experian "Automotive Market Trends" report, but they represent the fastest-growing car sales category in 2024, with a 7.6% share of the total U.S. vehicle market currently vs. only 5.9% in 2022, per Kelly Blue Book.

"Last year, we hit over 1 million electric vehicle cars sold," said Chad Bass, director of product management, EV charging for Dover Fueling Solutions, headquartered in Austin, Texas. "Retailers need to start planning now, especially with new builds."

The Future of Biofuels

Today, E10 and E15 are seeing the most adoption at the pump in the world of renewable motor fuels. The number of sites selling E85, many in the Midwest, has grown in recent years as it's a less expensive option — after the government subsidy — than E10 or E15, according to Ken Shriber, managing director of Chappaqua, N.Y.-based Petroleum Equity Group.

"California is blowing up with E85 because of the lower cost," added RFA's Mullen. She noted that ethanol-blended fuel, in general, is most popular in the Midwest, but the association is seeing more nationwide expansion by the day. Not only is there a typical cost savings of 3 to 5 cents, but there's also grant opportunities from the U.S. Department of Agriculture that certainly help to drive adoption, she explained. There's incentives and grants available for retailers to change over to E15, biodiesel or E85 as well.

"The fact that the largest independent retailers, including Casey's, Kwik Trip, QuikTrip, Sheetz and Kum and Go, are supporting and promoting the sale of E15 has spurred demand for other retailers to consider it as well," Mullen pointed out.

For those retailers offering E10, the transition to E15 is not difficult because the equipment is largely compatible and they likely already have the infrastructure ready for it, she said. Many of the major oil companies have their own blends of it now.

To start offering ethanol-blended fuel or to prepare for the future, any new builds — or changes in equipment — can be an ideal time for retailers to set up the infrastructure so that the pumps can handle anything coming down the line, according to Steve Morris, owner and president of St. Paul, Minn.-based Retail Management Inc., which manages 20 stores.

"When we do retrogrades and retrofits, we are hedging our bets from an infrastructure standpoint to set up lines from all the tanks to all the dispensers because if there is a change or we need to put in a new product, we have the lines ready," Morris said. "It's a hedge because that is the time to build the infrastructure as it's so cost prohibitive afterwards."

The Future of EVs

Larger chains already have been installing EV chargers, and many are taking advantage of the funding offered by the National Electric Vehicle Infrastructure (NEVI) program, which pays 80% of eligible costs including acquisition, installation and network connection. The funding can offset the cost of installing chargers at new and existing locations.

"There are standards that have to be met, such as a minimum of four DC chargers, each one has to deliver at least 150 kw, the location has to be within a mile of a highway, etc.," said Dover Fueling Solutions' Bass. "Now that standards are set, each state has been providing funding."

Each year, more and more convenience store retailers and travel center operators are installing EV charging stations at their stores, with many taking advantage of the grants available from the government to do so. And while electric vehicles are still a small percentage of the overall cars on the road in the U.S., the market continues to grow each year. Currently, California, Florida, Texas and Washington have the highest concentrations of EVs.

"We are starting to see more chargers in public view rather than off in a corner somewhere on the lot with poor lighting," said Bass. "There is more of a focus on how to make the charging experience better, such as awnings, trash cans nearby, air stations for tires and more."

Some retailers are installing their own network of EV chargers using grants and funds, while others are choosing to lease their space to charging companies. Bass pointed out, though, that there is little control over the experience when leasing.

"The natural progression is EV chargers will tie directly into the store point-of-sale, and there will be the ability to have ads right on the charger, place orders from in-store and more, like is seen at the gas pump," he said. "EV charging is a captive audience and if it works well for someone pumping gas for five minutes, it will work great for someone who is stuck there for 25 [minutes] while charging, whether via an app or a screen on the charger."

Just as with biofuel infrastructure, new convenience stores being built can prepare for the addition of EV charging, even if they don't offer it right away. A retailer can set it up so that they have a "conduit designed into the current specifications so when they are ready to implement, they can run the copper through and have the installation done quickly without having to tear up concrete in the parking lot," Bass explained.

This can apply to site upgrades that include repaving the parking lot, too, said Morris, who recommends working with an EV provider to understand the necessary infrastructure and other needs such as the conduit and lines that must be buried in the parking lot.

"Bury it now and then leave it so it's ready when you want to install chargers," said Morris. "You don't even have to put in a panel at this point, but just bury the lines."

DOL Rule Increasing Salary Threshold Set Aside

The U.S. District Court for the Eastern District of Texas has vacated and set aside the U.S. Department of Labor (DOL)'s final rule increasing the salary threshold for the "White Collar" overtime exemptions under the Fair Labor Standards Act (FLSA) on a nationwide basis.

- The court held that each of the three components of the rule exceeded the DOL's statutory authority under the FLSA. The court had previously enjoined enforcement of the rule against the State of Texas in its capacity as an employer of state employees; its final decision now vacates the rule for all employers nationwide.
- his means, most notably, that the increase in the salary level to be exempt to $1,128.00 per week ($58,656 per year) will NOT go into effect January 1, 2025. The court also struck down the July 1, 2024, increase to $844.00 per week ($43,888 per year). Finally, the court held that the final rule's automatic "escalator" provision, which would have increased the threshold every three years going forward, was also unlawful.
- As such, the current salary threshold to be exempt under an applicable white-collar exemption is $684.00 per week ($35,568 per year).

What Comes Next?

- The January 1, 2025, increase will not go into effect as scheduled, and as a matter of law, the July 1, 2024, increase is nullified. The salary threshold will revert to $684 per week ($35,568 per year).
- Employers that previously adjusted salaries or the exemption status of employees to meet the July 1 salary level of $844.00 per week ($43,888 per year) may have the opportunity to reduce the salary increase and/or exemption status of affected employees.
- The DOL may seek to appeal the lower court's decision to the Fifth Circuit Court of Appeals. That said, with the upcoming change in the presidential administration, we predict that under new leadership the DOL would likely abandon any appeal and allow the lower court's decision to stand. Going forward, it is less clear whether the Trump administration will revisit some or all the rule, repealing it entirely, or perhaps adopting a different formulation.

State Salary Thresholds

To ensure compliance, be aware of state salary threshold requirements that are higher than the Federal requirement. The following states have their own salary thresholds that employers need to comply.

- Alaska: twice the state's minimum wage rate for a 40-hour workweek ($938.40 per week as of January 1, 2024).
- California: twice the state's minimum wage rate for a 40-hour workweek ($1,280.00 per week as of January 1, 2024).
- Colorado: changes July 1 of each year ($1,057.69 per week as of July 1, 2024).
- Maine: $844.00 per week as of July 1, 2024; $1,128.00 per week as of January 1, 2025.
- New York: $1,300.00 per week as of March 13, 2024.
- Washington: twice the state's minimum wage rate for a 40-hour workweek ($1,302.40 per week as of January 1, 2024).