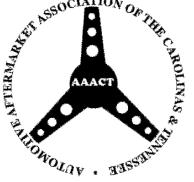


# THE HORN



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## 2014 AACT Convention

### Recap

The 2014 AACT Annual Convention held recently at The Charleston Marriott in Charleston, South Carolina was a huge success. Thursday afternoon attendees participated in an excellent Automotive Aftermarket "Best Practices" Roundtable Discussion facilitated by **Jim Enter**, American Association of Roundtables, Inc. Saturday's program consisted of a very informative session entitled "Effective Exit Planning: Preparing Your Business Now" delivered by **Rick Schwartz**, Schwartz Advisors, LLC. The convention concluded Sunday morning with a Spiritual Message provided by **Chaplain Rick Robinson**, Coastal Crisis Chaplaincy, Charleston, SC.

The following is a summary of other happenings in Charleston:

- Awards were given to two (2) Directors who rotated off the Board: **Immediate Past President Frank Jenkins**, Rockingham, NC and **Buddy Kittrell** of Morehead City, NC.
- The new Directors elected were: **Jeff Thomas** of Mebane, NC; **Sandy Crews** of Jacksonville, NC; **Eddie Williams** of Lincolnton, NC; **Eddie Seagroves** of Goldsboro, NC; and **Mark Savage** of Rockingham, NC.
- New Officers were also elected by the Board and are as follows:– President; **Ralph Dickson, III** of Gastonia, NC; **Bobby Flowers** of Hickory, NC – Vice-President; **Ed Chappell** of Garner, NC – Treasurer; and **Randy Lisk** of Raleigh, NC – Secretary. Out-going President **Ron White** of Burlington, NC becomes Immediate Past President.
- Awards were presented to the following AACT Committee Chairs: Convention—**Sandy Crews** of Jacksonville, NC; Finance—**Ed Chappell** of Garner, NC; Education Trust—**Frank Jenkins** of Rockingham, NC; and Membership—**Allan Rouzer** of Salisbury, NC.
- It was also announced that **Sandy Crews** of Jacksonville, NC and **Frank Jenkins** of Rockingham, NC were inducted into the AACT "Hall of Fame". Congratulations to Sandy and Frank!!

We are most grateful to Convention Chair **Sandy Crews** of Jacksonville, NC and her Committee (**Chris George** of High Point, NC; **Mark Savage** of Rockingham, NC; **Jack Scholler** of Statesville, NC; **Scott Winchester** of Charlotte, NC; and **Hoyt Woodard** of Asheville, NC) for putting together an outstanding event.

## Sponsors

Many Jobber, WD and Supplier Friends of AAACT were convention sponsors this year and we are most grateful for their support! They are:

### Platinum:

- ◆ CARQUEST Auto Parts
- ◆ NAPA Auto Parts

### Silver:

- ◆ Auto Supply Co., Inc.
- ◆ Scholler Shop Equipment

### Bronze:

- ◆ Battery Service, Inc.
- ◆ Benson Auto Supply, Inc.
- ◆ Exide Technologies
- ◆ IGO Insurance Agency
- ◆ Kittrell Auto Parts
- ◆ Millennium Automotive Logistics, Inc.
- ◆ NAPA Auto Supply & Equipment
- ◆ Piston Ring & Machine Co., Inc.
- ◆ Rouzer Motor Parts
- ◆ Royal Business Forms
- ◆ Southern Auto Parts

### Friends of AAACT:

- ◆ Asheville Powertrain, Inc.
- ◆ CoCard Merchant Services
- ◆ Edward Jones (Lonnie D. Hedrick, Advisor)
- ◆ The Flowers Co.
- ◆ Jenkins Automotive & Industrial Supply
- ◆ Superior Parts Co., Inc.

### President's Reception:

- ◆ Duragloss Appearance Products

### Saturday Morning Breaks:

- ◆ CARQUEST Auto Parts

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## Scholarship "Live Auction"

Thanks to the efforts of Convention Chair Sandy Crews and Auctioneer Frank Jenkins, the 2014 "LIVE AUCTION" netted \$3,282.50 for the AAACT Scholarship Fund.

There were some great items auctioned off this year, including: Hand-Stitched Apple Quilt, Milk Glass Hobnail Vase, Nautical Lamp, Blue Ridge Parkway Ornament, Ceramic Tea Light Candle Holder, Woven Orange and Natural Colored Throw, Owl Door Stop and Angel Ornament (Courtesy of **Asheville Powertrain - Asheville, NC**); iPad Air (Courtesy of **CARQUEST Distribution Center - Raleigh, NC**; Coastal Fishing Trip for Two, Fishing Rod & Reel, Wine Rack, 2 Bottles Childress Muscadine Wine, 2 Wine Glasses and Napkins; 2 Gift Baskets with Misc. Items, Franco Sarto Handbag and Pearl and Gem Bracelet (Courtesy of **Piston Ring &**

**Machine Co. - Washington, NC**); 10" Car Buffer/Polisher, \$100.00 worth of Duragloss Appearance Products, 2 CARQUEST Racers, 2 Old Timer Knives F#120TCP; Old Timer Knife #60TCP, Gorilla Gadget Portable Charger and Craftsman Pocket Knife (Courtesy of **Duragloss/Brothers Research - Burlington, NC**); Yeti Cooler (Courtesy of **NAPA Auto Supply & Equipment - Summerville, SC**); 19" Flat Screen TV and 2 Fishing Rods (Courtesy of **Exide Technologies - Rockingham, NC**); "I Believe In Santa" Picture, White/Gold Necklace & Earring Set, White Iridescent Vase, Artesian Glass Bracelet, Fall Burlap Wreath with Sunflowers, and Fall Harvest Platter Bowl & Plate Set (Courtesy of **Southern Auto Parts - Jacksonville, NC**); 2 Golf Shirts and 2 1999 Limited Edition Auto Value Stock Car Die Casts (Courtesy of **AAACT, Inc. - Raleigh, NC**); iPad Mini (Courtesy of **CARQUEST Distribution Center - Asheville, NC**); GoPro Cam Corder (Courtesy of **CARQUEST Distribution Center - Columbia, SC**); Fit Bit Wireless Wristband (Courtesy of **Benson Auto Supply - Benson, NC**); Cuisinart Mini-Food Processor (Courtesy of **Rita Wieskamp, AACT, Inc., Rutherfordton, NC**); and 2-Night Stay at The Charleston Marriott (Courtesy of **The Charleston Marriott, Charleston, SC**). Further details regarding next year's Convention and Scholarship Fund "fund-raiser" will be available soon.

## INDUSTRY NEWS

### Steve Forbes to Provide Strategic Advice for Business Growth During New General Session at AAPEX

Las Vegas, Nev. - Sept. 22, 2014 - Steve Forbes, chairman and editor-in-chief of Forbes Media, will discuss, "*The Next Four Years: Navigating the Economy for Business Growth and Success*," during the Automotive Aftermarket Products Expo (AAPEX) new free General Session on Wednesday, November 5.

AAPEX is set for Tuesday, Nov. 4 through Thursday, Nov. 6, at the Sands Expo Center, Las Vegas, Nev., with AAPEXedu sessions starting on Monday, Nov. 3.

During his AAPEX keynote, Forbes will address the current economic situation and provide insights and strategic advice for business growth and success during these uncertain times. The General Session will be held from 8 a.m. to 8:50 a.m. in The Venetian Palazzo Ballroom.

Forbes continues to lead the most successful business news magazine in America. Throughout his tenure, his keen ability to provide economic insights on the big issues of the day has been trusted by business leaders around the world. He also is the author of a new book, "*Money: How the Destruction of the Dollar Threatens the Global Economy and What We Can Do About It*".

While the new General Session is free of charge to all attendees, AAPEX is offering unique sponsorship opportunities, such as VIP seating, a special breakfast with Steve Forbes and a book signing to raise scholarship funds traditionally generated by the Global Automotive Aftermarket Symposium (GAAS). Donations will be made to the University of the Aftermarket Foundation on behalf of GAAS. To learn more about sponsorship opportunities, contact Chris Kalousek, chrisk@wtglasgow.com.

The 2014 AAPEX is expected to feature more than 2,400 exhibitors, 5,000 booths, nearly 50 AAPEXedu sessions and 39,000 targeted buyers. More than 130,000 automotive aftermarket professionals from nearly 125 countries are projected to be in Las Vegas during AAPEX. To register for AAPEX, visit: [www.aapexshow.com/register](http://www.aapexshow.com/register).

AAPEX represents the \$477 billion global aftermarket auto parts industry, and is jointly sponsored by the Auto Care Association and the Automotive Aftermarket Suppliers Association (AASA), the light vehicle aftermarket division of the Motor & Equipment Manufacturers Association (MEMA). For more information, please visit [www.aapexshow.com](http://www.aapexshow.com) or e-mail: [info@aapexshow.com](mailto:info@aapexshow.com).

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## **LEGAL / LEGISLATIVE**

### **EPA Proposing to End Use of 134a in New Motor Vehicles and Consumer Products**

The U.S. Environmental Protection Agency (EPA) has issued a proposed rule that, if finalized, would prohibit the use of 134a as a refrigerant in new motor vehicles beginning in model 2021. Further, beginning in 2016, EPA is proposing to no longer permit the use of 134a as an aerosol in consumer products, some of which are automotive products.

Pointing to the high global warming potential (GWP) of 134a, the agency is seeking to list the substance as an unacceptable substitute for an ozone depleting substance (ODS) under the Significant New Alternatives Policy (SNAP). Under SNAP, EPA reviews alternatives to ODS to find substitutes that pose less overall risk to human health and environment.

For motor vehicles, EPA is listing three alternative refrigerants that could be used for new vehicles, including 1234yf, R-744 and 152a, which were determined to have a lower GWP than 134a. For consumer aerosols, there are three alternatives with lower GWPs that meet other environmental regulatory requirements, including HFC-152A, HFO-1234ze(E) and CO<sub>2</sub>.

In addition to 134a, EPA is proposing to list the following refrigerant blends as unacceptable in new motor vehicles beginning in model year 2017: R426A (also known as RS-24), R-416A (also known as HCFC Blend Beta or FRIGC FR12), R-406A, R-414A (also known as HCFC Blend Xi or GHG-X4), R-414B (also known as HCFC Blend Omicron), HCFC Blend Delta (also known as Free Zone), Freeze 12, GHG-X5 and HCFC Blend Lambda (also known as GHG-HP).

It is important to note that the proposal does not impact refrigerants used to service vehicles currently on the road. Therefore, shops and do-it-yourselfers will continue to be able to service their current vehicles with 134a. Public comment on the proposal will be accepted 60 days from when it is printed in Federal Register.

A copy of the proposal can be found here:

[http://www.epa.gov/ozone/downloads/SAN\\_5750\\_SNAP\\_Status\\_Change\\_Rule\\_NPRM\\_signature\\_version\\_signed\\_7-9-14.pdf](http://www.epa.gov/ozone/downloads/SAN_5750_SNAP_Status_Change_Rule_NPRM_signature_version_signed_7-9-14.pdf).

A fact sheet on the proposal can be found here:

[http://www.epa.gov/ozone/downloads/SAN\\_5750\\_SNAP\\_Status\\_Change\\_Rule\\_Fact\\_Sheet\\_070714.pdf](http://www.epa.gov/ozone/downloads/SAN_5750_SNAP_Status_Change_Rule_Fact_Sheet_070714.pdf).

### **\*\*\*\*\* IMPORTANT NOTICE FROM N.C. DEPARTMENT OF REVENUE**

**Effective October 1, 2014, DAVIDSON COUNTY adopted a resolution to levy an additional 0.25% local sales and use tax. The local rate of sales and use tax is 2.25%.** The 4.75% general State and 2.25% local rate of sales and use tax (total rate of 7.00%) apply to taxable sales and purchases of tangible personal property, taxable service contracts to maintain or repair tangible personal property, taxable gross receipts derived from admission charges to an entertainment activity, certain digital property and other transactions subject to the general state rate of sales & use tax pursuant to the provisions of N.C. Gen. Stat. §105-164.4. Sales of food subject to the 2% rate of tax are not subject to the additional 0.25% local sales & use tax. **The provisions of the Local Government Sales & Use Tax Law, with respect to a retailer or facilitator required to collect use tax in a taxing county, and the liability for local sales & use tax, are applicable to the new levy.**

**Combined State and Local Rates as of October 1, 2014 for All 100 Counties:** Effective October 1, 2014, the general State & Local Tax Rate is 6.75% in seventy-two counties, 7% in Alexander, Buncombe, Cabarrus, Catawba, Cumberland, Davidson, Duplin, Edgecombe, Greene, Halifax, Harnett, Haywood, Hertford, Lee, Martin, Montgomery, New Hanover, Onslow, Pitt, Randolph, Robeson, Rowan, Sampson, Surry and Wilkes Counties; 7.25% in Mecklenburg County; and 7.5% in Durham and Orange Counties.

Questions regarding North Carolina Department of Revenue Sales and Use Taxes should be directed to the Taxpayer Assistance and Collection Center at 1-877-252-3052 (toll-free).

**Just a reminder for the N.C. Sales and Use Division regarding the Important Notice: Qualifying Farmer and Conditional Farmer Exemption.**

Effective October 1, 2014, any form E-595E or other exemption information previously provided by a person to a retailer containing an agricultural exemption certificate number to claim an exemption from sales and use tax for qualifying purchases for use in farming operations is invalid. Such agricultural exemption certificates issued by the Department prior to July 1, 2014 bear an agricultural exemption certificate number which generally is six digits and begins with the numeral one.

For qualifying purchases of items for farming operations on or after October 1, 2014, a seller that does not have a Form E-595E or other exemption information containing a qualifying farmer exemption certificate number, which is a six digit number that begins with the numeral seven, or a conditional farmer exemption certificate number, a six digit number that begins with numeral eight, must charge and collect any tax due on the sale.

Further details can be found on this N.C. Department of Revenue notice at  
[http://www.dornc.com/taxes/sales/impnotice062514\\_2.pdf](http://www.dornc.com/taxes/sales/impnotice062514_2.pdf).

## **INSURANCE NEWS**

### **Health Care Reform: Employers Should Prepare Now for 2015 to Avoid Penalties**

*(8-8-2014 by Joy M. Napier-Joyce, Melissa K. Ostrower, and Lisa M. deFilippis, Jackson Lewis)*

Under the Patient Protection and Affordable Care Act, beginning in 2015, certain large employers who do not offer affordable health insurance that provides minimum value to their full-time employees may be subject to significant penalties. These penalties are explained below.

In a nutshell, in 2015, "applicable large employers" (explained below) will be subject to an annualized employer "shared responsibility" penalty of \$2,000 (indexed) per full-time employee (less the first 80 full-time employees in 2015) if the employers do not offer health insurance to at least 70% (95% after 2015) of their full-time employees and their dependents.

Even if an applicable large employer offers insurance coverage to full-time employees, the employer still could be subject to an annualized penalty of \$3,000 (indexed) per employee who receives an Exchange subsidy to the extent the coverage does not provide minimum value or is not affordable. This penalty is capped at the amount that would apply if the \$2,000 penalty described above were to apply.

What should an employer do now to prepare for these penalties?

1. Determine if they are an "applicable large employer". To do this, employers should count both full-time employees and part-time employee hours as follows:
  - a. Count the employer's full-time employees for each month in the prior year.
  - b. Count the employer's full-time equivalents for each month in the prior year.
    - i. Add total hours for non-full-time employees but count no more than 120 hours per month for any one non-full-time employee.
    - ii. Divide the number obtained in (a) by 120. This is the full-time equivalent number.
  - c. Add the numbers obtained in (1) and (2) above (i.e., the full-time employee and full-time equivalent numbers) for each month.
  - d. Add the 12 sums obtained in (3) and divide by 12. This is the average number of full-time employees and full-time equivalents.

- e. If this number obtained in (4) is under 50 (or under 100 for the 2015 determination for certain employers), the employer is not an applicable large employer for the year being determined.

**Note:** The applicable large employer is determined on a controlled group basis. For example, if there are three companies, each of which is wholly owned by the same parent company, the companies are all considered one employer for this calculation. Also note that, special transition rules apply in determining applicable large employer status for 2015 and that a special seasonal employee exception may apply even if the threshold in (5) is exceeded.

2. If an employer will be an applicable large employer in 2015, it should determine whether it could be subject to penalties in 2015. For example, it should review its group health plan to determine if the insurance coverage is "offered" to full-time employees within the meaning of applicable regulations, provides minimum value, and is affordable.
3. An employer also will need to address how it will determine the full-time status of employees – will it use the "monthly measurement period" or the "look back measurement period." This is particularly important for employers who have many variable-hour employees or seasonal employees.
4. If the employer's group health plan does not meet the threshold tests to avoid the penalties noted above, the employer should evaluate whether it wants to restructure its health care offerings or pay the penalties (which are non-deductible).
5. Finally, employers should review their data collection procedures to ensure that they will be able to report the healthcare information required to be reported for 2015 (the actual reporting will occur in 2016). Insurers, sponsors of self-insured plans, and other entities that provide minimum essential coverage during a calendar year will be required to report certain information to the Internal Revenue Service and to participants. In addition, applicable large employers will be required to report about the coverage they provide to both the IRS and to their employees. Draft IRS forms to be used in reporting this information have recently been published by the IRS (Form 1095-B, Form 1095-B Transmittal, Form 1095-C, Form 1095-C Transmittal). Ask your financial advisor, CPA or bookkeeper for more information.

**Key Takeaway:** It is not too late for employers to take action now to avoid penalties in 2015. If you have any questions about health care reform or other workplace issues, please contact Sherry Robertson, PHR at 800-243-1560 or sherry@igoinsurance.com and she will assist you in working with our benefits provider, Hodges Insurance.

## AAACT NEWS

### In Memoriam

We were saddened by the death of Ralph Dickson, Jr., Gastonia, NC ... father of current AACT President Ralph Dickson, III, NAPA MALI Auto Parts. Ralph, Jr. passed away on Saturday, August 23, 2014, following a stroke a few days earlier. Ralph, Jr. was a past president of the N.C. Automotive Wholesalers Association and the Virginias/Carolinas Automotive Wholesalers Association. Ralph, Jr. remained active in his business and in support of the Association up to his death. Our thoughts and prayers are with the Dickson family.

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### Welcome New Member!!!

Affiliate (Manufacturer, AACT Supplier, Sales Rep., Repair Facility, Body Shop)

Amador of America, Inc., 6047 Executive Centre Dr. #6, Memphis, TN 38134, Mark Jellison - (800)238-7115.

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### 2015 Advertising Calendars

Don't forget to order the 2015 Advertising Calendars to keep your name in front of your customers all year long. Information was enclosed in recent issues of "The Horn". If you have questions or would like to place an order, contact Rita at 800-849-8037, (Fax: 828-286-4847), or email [rwickampaact@aol.com](mailto:rwickampaact@aol.com).

~ Randy Lisk, Executive Vice President