

2015

Ohio Dealer Continuing Ed Manual

Automobile Dealer
Training Association

Ohio Automobile Dealer Continuing Education Manual

Revised October 1, 2015

Congratulations! You are now a member of the Automobile Dealer Training Association. We look forward to assisting you with the compliant and profitable operation of your Ohio dealership.

The Automobile Dealer Training Association was founded to help you apply proven profit strategies, operate with the highest ethical standards, and to realize how important it is to operate your dealership with 100 percent compliance. We also want to make sure your business is compliant with the many important Ohio and Federal laws that will affect you as a dealer. This ADTA Ohio Automobile Dealer Continuing Education Manual is designed to help you stay compliant while earning an unlimited income.

If you provided your email address we will do our best to contact you with legislative updates throughout the year.

Please contact us at any time if there is something we can do for you. Welcome to the Automobile Dealer Training Association.

Delus Johnson

Delus Johnson
Lead Instructor

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Important Contact & Website Information for Ohio Dealers

Dealer License Section Address:

Dealer and Salesperson Licensing Unit
P.O. Box 16521
Columbus, Ohio 43216-6521

Dealer Licensing Section Phone Number:

614-752-7636

Dealer Licensing Email Contact Form

http://autodealers.ohio.gov/email_dealers.stm
or dpsdealerssupport@dps.ohio.gov

Ohio Clerk of Court Title Offices

http://bmv.ohio.gov/county_lst.stm

Ohio Automobile Dealer Forms

www.ohiodealer.org

Federal Trade Commission Buyers Guide Forms

www.ftcbuyersguide.com

Internal Revenue Service Cash Reporting Form 8300

www.irsform8300.com

File Federal Tax ID Number

www.taxformw9.com

Federal Employment Eligibility I 9 Form

<http://www.uscis.gov/sites/default/files/files/form/i-9.pdf>

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UNIT ONE

2015 Law Updates Affecting Ohio Dealers

Temporary Tag Changes

Beginning September 29, 2015 the law regarding temporary license placards for off-highway motor cycles & all purpose vehicles changes and will also be 45 days. Before September 29, 2015 off-highway motorcycles & all purpose vehicle temporary permits will only be for 30 days.

Temporary Tag Changes from 30 to 45 Days

Beginning June 30, 2015 all temporary permits that say "30 Days" will no longer be valid. If 30 day tags are issued to customers after June 30, 2015, law enforcement may confiscate those temporary tags and impound the vehicle or could lead to arrests of the consumers.

Changes to Ohio Dealer Salespersons License

Beginning June 30, 2015 a dealer shall keep a current list of the dealer's licensed salespersons and shall make the list available upon request to any inspector of the Ohio Bureau of Motor Vehicles, police officer, Ohio Highway Patrol trooper, or customer. Each salesperson shall keep the salesperson's license or a copy of license at the place of business and shall provide the license or copy upon demand. This rule is now in effect.

You can download the form here:

<http://publicsafety.ohio.gov/links/bmv4310.pdf>

Web Enabled (WE) Dealers

Temporary tags will be print-on-demand for all Web-Enabled (WE) dealers. The current 3-part carbonless form BMV 4349 will no longer be available effective June 1, 2015.

Definition of Motor Vehicles

On January 1, 2016 Ohio will change the definitions of several motor vehicles. This new set of definitions will be in effect until January 1, 2017, at which time a new set of definitions will take effect. Here is an overview of the new definitions:

“Vehicles” means everything on wheels, including motorized bicycles, but does not include mobility

“Motor Vehicles” means everything that is motorized including RVs

“Mobile Home” is a building that is constructed offsite

“Semi-Trailer” is a vehicle trailer that does not have its own power

“Passenger Car” is a vehicle that is designed to carry no more than 9 people

“Bus” is any vehicle that is designed to carry more than 9 people

“Travel Trailer” is a non propelled recreational vehicle that does not exceed 35 feet

“Truck Camper” is a non propelled recreational vehicle that attaches to a truck

For a full list of all the changes to motor vehicle definitions, just click on <http://codes.ohio.gov/orc/4501.01v2>

The definitions of motor vehicles above will be in effect from January 1, 2016 until January 1, 2017. Be sure to check back for the updated definitions before January 1, 2017.

Definition of Documents

On March 23, 2015, the definition of “documents” was changed to “records”. Ohio dealers are now allowed to have all of your official records stored electronically instead of being stored on paper. All records must still be stored securely.

Falsification of Power of Attorney Penalties

Beginning March 23, 2015, any licensed motor vehicle dealers or agents who make false statements on the power of attorney may be found guilty of

falsification, or falsification in a theft offense. This is could happen to a dealer when your agent is using a Power of Attorney to apply for a title.

Replacement Vehicle Identification Number Plates

To obtain a Vehicle Identification Number Plate you now must use the Application for Replacement Vehicle Identification Number to a Motor Vehicle form which can be found at

http://www.bmv.ohio.gov/bmv_forms.stm

The inspection must be done by the Ohio Highway Patrol. The installation of the VIN plate must also now be witnessed by an Ohio Highway Patrol officer. The title for any vehicle with new VIN plate will not read "replacement vehicle identification number installed" or "replacement VIN installed."

Possible Salvage Dealer Rule Changes

Several salvage dealer rules are being reviewed at this time by the Motor Vehicle Dealer Board. Be sure to check back very soon to see if this new set of rules affecting salvage dealers will go into effect.

Dealer Educational Class

The State of Ohio has now joined the many other states that require any person obtaining a motor vehicle dealer license for the first time to attend a dealer educational seminar. The dealer classes will be at least 6 hours in length. At this time no continuing education is required for currently licensed Ohio dealers. If you are a currently licensed dealer you will be grandfathered in under the new law. If you let your license expire, then reapply for your dealer license, you will most likely be required to attend a dealer class before obtaining your license again.

Change of Corporate Officers

If your corporation is electing new corporate officers other than the president you must submit a letter indicating that a new officer has been elected. Be sure to include the position held and the officer's name, address and social security number.

If you are removing an officer of a corporation, member or trustee from an existing license you must submit a letter signed by another officer, member indicating the name and social security number of the person being removed from the license.

Changing Classification of Dealer License

Any change in the classification of a business license requires you send in a new license application, BMV 4320. If you are electing new officers you are not required to send in a new license application.

Business Name Change

When changing the dealership name you must submit a completed BMV 4443, photographs of the dealership business sign, dealership lot, and the inside & outside of your office. If you are selling new motor vehicles you must submit a completed BMV 4319 for each new make of vehicle to be offered for sale. If you are sharing the business location with another licensed Ohio motor vehicle dealer you must also mail in BMV 4347.

Business Address Change

If you are changing your business address you must submit BMV 4443 with fees and contact your County Auditor to find out if a new vendor's number is required.

UNIT TWO

Licensed Ohio Dealer Operations

Displaying Your Dealer License

ALL OHIO DEALER LICENSES MUST BE DISPLAYED PROMINENTLY

Your Ohio Used Motor Vehicle License it must be displayed prominently. Do not place the license in a desk drawer or file cabinet, place it on a wall in your office. You worked hard to gain you license, be proud of it and display it where everyone can see. If you ever have a surprise inspection from the BMV they first thing they will want to verify is that you have your license displayed conspicuously.

Reasons for Suspension or Revocation of an Ohio Used Motor Vehicle License

All Ohio used motor vehicle dealers follow these laws and the Ohio BMV has zero tolerance for any dealer that does not follow the rules. Any dealer that does not comply, or follow, the rules can have their dealer license suspended or revoked.

Reasons for License Suspension or Revocation of a Dealer License:

- Vehicle was sold by someone that was not a licensed salesperson or owner/officer
- Pay a commission on sale of a vehicle was sold by someone that was not a licensed salesperson
- Fail to immediately notify the BMV Dealer Licensing Section upon termination of employment of licensed salesperson
- Engage in wholesale sale to a person that is not a currently licensed motor vehicle dealer
- Does not maintain established place of business
- Uses office as storage space
- Allows dirt, mud, water, weeds, or debris to collect on display lot
- Failed to notify BMV Dealer Licensing Section of phone number change within 15 days
- Failed to notify BMV Dealer Licensing Section of change of business hours within 15 days

- Failed to notify BMV Dealer Licensing Section of change of owners within 15 days
- Failed to notify BMV Dealer Licensing Section of change of business name.
- Fails to obtain a \$25,000 surety bond if the Ohio Attorney General distributes money from the Title Defect Rescission Fund to retail customer
- Does not maintain a net worth of at least \$75,000
- Failed to maintain financial responsibility on all service vehicles or vehicles held for resale

Below are some examples of recent violations that resulted in Ohio used motor vehicle dealers license to be revoked:

Display lot not clear of grass and weeds; No licensed salesperson; No working phone line; Not maintaining proper records and odometer disclosure statements missing-Akron, OH

Location is not physically separate from owner's residence; not properly attended during posted business hours; unable to inspect office; business hours not posted-Shelby, OH

Post Licensure: Office littered with bugs. No hours posted. Dealer license not posted. The sign not at least 6 inches. No separation from the business to the south-Bowling Green, OH

Failure to Maintain Mileage Disclosure Statement and Attempted Failure to Maintain Written Agreement to Precede Sale-Cleveland, OH

Display lot not clear of mud, water, and weeds. Not physical separated from another business; Office being used for storage of tires; No posted hours; Telephone not identified with dealership name; No licensed salesperson; No permanent heat source; License not displayed; Location not being used exclusively; Not maintain proper records and odometer statements-Columbus, OH

No physical separation from another business-Columbus, OH

Display area not clear of grass and weeds, Office not accessible No posted hours.

No working phone. No licensed salesperson.-Youngstown, OH

No physical separation from another business; No working telephone; No posted hours; Unattended during posted hours; Office not 180 square feet-Columbus, OH

Not separated from body shop. Display lot not clear of trash and broken down vehicles. Office does not have permanent heat and used for storage Salesperson list not posted. Records not maintained-Columbus, OH

Post Licensure: No working phone line; Not separated from another business; Mud on display lot; No posted hours; Office not 180 square feet-Columbus, OH

Violation of any laws above could result in, at minimum, a charge of misdemeanor in the fourth degree

Dealers must follow every law, rule, and guideline in order to operate a successful and profitable dealership. Any dealer that does not operate completely within the law will face a license suspension or revocation.

Dealer Insurance

The state of Ohio requires every motor vehicle driven on any roadway to be insured, including your demos and all service vehicles owned by the dealership. It is illegal to drive any motor vehicle in Ohio without proof of insurance or financial responsibility. It is also illegal for any motor vehicle owner, such as a dealer, to allow anyone else to drive the owner's vehicles, such as your demos, without insurance.

Dealer insurance pricing normally depends on where your dealership is located, your experience, and the number of dealer license plates you possess. Dealer insurance can be quite expensive, however, once you become established and begin generating profits you will find that dealer insurance is only a small part of your operational expenses.

Any dealer in Ohio that does not maintain financial responsibility on services vehicles, drives a demo or allows a customer to drive a demo without financial responsibility, could face the following penalties:

- Loss of driving privileges for up to 2 years
- Suspension or revocation of dealer license
- Suspension of all personal and dealer license plates
- Requirement to maintain bond or SR-22 insurance
- Extensive reinstatement fees
- Additional penalties apply if you are involved in a collision without insurance

WHEN YOU SIGN YOUR DEALER APPLICATION YOU ARE PROMISING THE STATE OF OHIO THAT ALL VEHICLES OWNED BY YOUR BUSINESS WILL BE INSURED AND NEVER OPERATED WITHOUT FINANCIAL RESPONSIBILITY.

Retail Contract Agreement

OHIO STATE LAW REQUIRES EVERY RETAIL AND WHOLESALE SALE OF A MOTOR VEHICLE TO BE PRECEDED BY A WRITTEN CONTRACT THAT CONTAINS ALL OF THE AGREEMENTS OF THE PARTIES AND SHALL BE SIGNED BY THE BUYER & THE SELLER.

ANY PERSON IN VIOLATION OF THE OHIO MOTOR VEHICLE CONTRACT LAW CAN BE FOUND GUILTY OF A MISDEMEANOR OF THE FOURTH DEGREE.

Odometer Disclosure

THE DEALER MAY NOT USE A POWER OF ATTORNEY TO SIGN FOR A BUYER OR SELLER ON AN ODOMETER DISCLOSURE STATEMENT.

FEDERAL LAW REQUIRES THE BUYER AND SELLER KEEP A COPY OF THIS FORM. THE BUYER MUST ALSO SIGN THE FORM A SECOND TIME TO VERIFY THEY HAVE RECEIVED A COPY FROM THE SELLER.

You can download an Ohio Odometer Disclosure Statement here:
<http://publicsafety.ohio.gov/links/bmv3724.pdf>

Odometer Tampering

FAILURE TO COMPLY WITH ODOMETER DISCLOSURE AND ODOMETER TAMPERING LAWS COULD LEAD TO THE REVOCATION OF YOUR DEALER LICENSE ALONG WITH EXTENSIVE PENALTIES.

Sales to Minors

When a person is purchasing a vehicle for someone under the age of 18 be sure to complete the BMV 3751 Minor Consent form at:

<http://publicsafety.ohio.gov/links/bmv3751.pdf>

Be sure to have someone at least 18 years of age signing all vehicle documentation.

Ohio Dealer Records

Ohio dealers are required to keep the following records, at minimum, for all vehicles, purchased, leased, and sold:

- A Purchase Agreement for each vehicle sold, which includes a description of the vehicle, the name and address of the purchaser, the sales price, the odometer reading, and the dealer's permit number
- Front and back copies of each title
- Name and address of previous owner
- Vehicle Identification Number
- Title number, county, and state
- Year and make of vehicle
- Any lease, installment, or security agreements
- Odometer disclosure statement for each vehicle
- Out of State Inspection for vehicles with out of state titles

- Power of Attorney
- Dealer Assignment
- Record of temporary tags sold on each vehicle
- If temporary tag or windshield sticker has been placed on the vehicle, purchaser signed document stating that the purchaser has not been issued previously during the current registration year a license plate that could legally be transferred to the vehicle

Ohio dealers are also required, at minimum, to maintain the following documents at the licensed location:

- Original Ohio Motor Vehicle Dealer License (displayed prominently)
- List of Licensed Salespersons
- List of Temporary Tags Sold
- I-9 Employment Eligibility Forms
- Any local licenses required by county or municipalities where dealership is located

In addition to the records required to be maintained under Ohio law you are also required to maintain, at minimum, the following records under Federal law for a period of 5 years:

- Copies of Federal Trade Commission Buyers Guide for each vehicle sold
- Copies of cash reporting IRS Form 8300 if applicable
- Odometer disclosure statements for vehicles not covered under Ohio laws
- Written Federal Trade Commission Red Flags Rule policy
- Copies of any forms related to Truth in Lending Act, Equal Credit Opportunity Act, or Gramm Leach Bliley Privacy Act

All records must be maintained and easily accessible for a period of 3 years and must be produced upon request by a Bureau of Motor Vehicle Inspector or their agent.

Electronic dealers are required to store records for a period of 5 years.

FEDERAL LAW REQUIRES MOST DOCUMENTATION TO BE KEPT FOR 5 YEARS. IT IS RECOMMENDED THAT YOU KEEP ALL DOCUMENTATION RELATED TO THE OPERATION OF YOUR DEALERSHIP FOR NO LESS THAN 5 YEARS.

UNIT THREE

Registration Requirements for Dealers

Salesperson Licensing

You can find an Ohio Salesperson License Application BMV form 4301 here: <http://publicsafety.ohio.gov/links/bmv4301.pdf>

New Salesperson License Steps:

- Complete BMV form 4301 which can be downloaded here: <http://publicsafety.ohio.gov/links/bmv4301.pdf>
- Ohio residents must be electronically fingerprinted and have the results forwarded to “BMV Dealer Licensing. To find a fingerprint location visit: <http://www.ohioattorneygeneral.gov/Services/Business/WebCheck/Webcheck-Community-Listing>
- Out of state residents may submit a fingerprint card obtained by the Dealer Licensing Section, an additional \$10 processing fee
- All salesperson applicants must submit a \$10 fee

Persons that hold a valid Ohio salesperson license can transfer it to another dealership by following these steps:

Transfer Valid Salesperson License from One Dealership to Another:

- Complete BMV form 4301 which can be downloaded here: <http://publicsafety.ohio.gov/links/bmv4301.pdf>
- \$4.00 license fee

A salesperson transferring to another dealership that is owned by the same corporation is not required to submit a new salesperson application.

When a salesperson wants to renew their sales person license and transfer it one dealership to another they need to complete the following steps:

Transfer and renew from one dealership to another:

- Complete BMV form 4301 which can be downloaded here:
<http://publicsafety.ohio.gov/links/bmv4301.pdf>
- \$10 license fee

The salesperson application must be notarized. When it is complete, just mail it to:

Ohio Bureau of Motor Vehicles
Dealer Licensing Section
P.O. Box 16521
Columbus, Ohio 43216-6521

Make all checks payable to “Ohio Treasurer of State”

All Ohio salesperson licenses expire on the last day of June every other year

ALL DEALERS MUST NOTIFY THE DEALER LICENSING SECTION WHEN A SALESPERSONS EMPLOYMENT HAS BEEN TERMINATED.

You can notify the Dealer Licensing Section at OhioAutoDealers.com or you can complete Salesperson License Termination Notice form and mail it to the Dealer Licensing Section.

The Salesperson License Termination Notice form can be found here:

<http://publicsafety.ohio.gov/links/bmv4336.pdf>

BEGINNING JUNE 30, 2015 A DEALER MUST KEEP A CURRENT LIST OF THE DEALER'S LICENSED SALESPERSONS AND SHALL MAKE THE LIST AVAILABLE UPON REQUEST TO ANY INSPECTOR OF THE OHIO BUREAU OF MOTOR VEHICLES, POLICE OFFICER, OHIO

HIGHWAY PATROL TROOPER, OR CUSTOMER. EACH SALESPERSON SHALL KEEP THE SALESPERSON'S LICENSE OR A COPY OF LICENSE AT THE PLACE OF BUSINESS AND SHALL PROVIDE THE LICENSE OR COPY UPON DEMAND.

You can download the salesperson listing form here:

<http://publicsafety.ohio.gov/links/bmv4310.pdf>

If you ever cease the operation of your dealership you must file a Certificate of Dissolution with the Secretary of State to properly dissolve your business or you could face future tax liabilities.

UNIT FOUR

Sales Tax

The sales tax amount your customer pays depends upon where they live. If they live in Ohio you can easily look up your customer's tax rate at:

<https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/Default.aspx>

Under the "Look Up Tax Rate" section, just enter your customers home address or zip code.

For example, if your customer's home address is:

1 Capitol Square
Columbus, Ohio, 43215-4210

Click on

<https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/Default.aspx>

1. Click address or zip code.
2. Enter address or zip code of your customer in the left box

3. Enter the date of the sale in the right box along with the taxable amount. Let's say the vehicle was \$10,000 with a \$250 document fee for a total taxable amount of \$10,250.
4. Enter the total taxable amount, in this case \$10,250
5. Select the button that says "Lookup".

On the next page you will see that a person whose address is 1 Capitol Square, Columbus, Ohio, 43215-4210 will owe the following sales tax

- 5.75 percent of the transaction price to the State of Ohio
- 1.25 percent to Franklin County (Columbus is in Franklin County)
- .50 percent to COTA (the Central Ohio Transit Authority)

To the right you will see your customer owes a total of \$768.75 sales tax. The customer will pay the dealer \$11,018.75 (transaction price plus sales tax). The dealer will pay the \$768.75 sales tax to the local Clerk of Courts when you are ordering the title for your customer.

You may also qualify for a vendor discount when the tax has been paid in a timely manor. The vendor discount is calculated when you multiply the gross tax by the vendor discount, which is .0075, which results in the net tax, which is remitted to the Clerk of Courts.

When to File Your Sales Tax Collections with the State of Ohio

You must file your sales tax payments by the 23rd day of the month for the tax collected during the preceding month. For example, if you collected sales tax for 9 vehicles you sold during the month of October, all sales tax that you have collected in October must be reported to the State of Ohio by November 23. If you collected sales tax for the vehicles you sold in November, the sales tax must be reported to the State of Ohio before December 23.

If the taxes you collected amount to less than \$1200 in a six month period you may file your sales tax every six months. However you should fully expect to collect much more than \$1200 every six months and should plan on filing your tax payments before the 23rd day of each following month.

Taxpayers whose annual liability exceeded \$75,000 will be required to make accelerated and final payments by electronic funds transfer.

Collection of Sales Tax to Non-Residents of Ohio

If an Ohio used motor vehicle dealer sells a vehicle to a person that lives in Arizona, California, Florida, Indiana, Massachusetts, Michigan, or South Carolina, you will collect sales tax at the time of the sale.

Here's how to determine the sales tax due from a person that purchases a vehicle from an Ohio dealer but lives in one of the seven states listed below:

1. Calculate the Ohio price of the vehicle under Ohio law as you would for a sale to an Ohio resident. Used vehicles have no trade in allowance for Ohio residents.
2. Calculate the price in the applicable state taking into account the adjustments in the chart below, such as a trade-in allowance if permitted by the state, and apply the sales tax rate of the appropriate state listed in the chart below. Please note that the sales tax rates listed in the chart below may be subject to change. Be sure to call 614-338-4781 to verify tax rates.
3. Whichever state sale tax calculation is lower is the sales tax to be charged.

The following is the list of the states, applicable tax rate, and the adjustments required to determine the proper amount of sales tax to collect:

State	Sales Tax Rate	Trade In Allowance	Special Provisions
Arizona	5.60%	Yes –New and Used	
California	7.5%	No	
Florida	6.00%	Yes- New and Used	
Indiana	7.00%	Yes-New and Used	Nonresident exemption for RVs and trailers with a load capacity of at least 2200 pounds

Massachusetts	6.25%	Yes-New and Used	
Michigan	6.00%	No	
South Carolina	5.00%	Yes-New and Used	Tax cap of \$300.00

YOU WILL COLLECT THE TAX RATE FROM WHICHEVER STATES TAXABLE AMOUNT IS LOWER!

Example 1: An Indiana resident purchases a used vehicle from an Ohio dealer. There is no trade-in involved in the transaction.

	Ohio Calculation	Indiana Calculation
Purchase Price	\$20,000	\$20,000
Tax Rate	5.75 Percent	7.0 Percent
Calculated Tax	\$1150.00	\$1400.00

You would collect the Ohio tax rate or \$1150 because it is lower than the Indiana rate of \$1400.

Example 2: A California resident purchases a used vehicle from an Ohio dealer. There is no trade-in involved in the transaction.

	Ohio Calculation	California Calculation
Purchase Price	\$20,000	\$20,000
Tax Rate	5.75 Percent	7.25 Percent
Calculated Tax	\$1150.00	\$1450.00

You would collect the Ohio tax rate or \$1150 because it is lower than the California tax rate of \$1450

Example 3: A California resident purchases a used vehicle from an Ohio dealer. There is a trade in. California does allow a used trade in allowance where Ohio does not.

	Ohio Calculation	California Calculation
Purchase Price	\$20,000	\$20,000
Minus Trade in Allowance	Not allowed OH used vhcl.	\$7,000
Taxable Price	\$20,000	\$13,000
Tax Rate	5.75 Percent	7.25 Percent
Calculated Tax	\$1150.00	\$942.00

You would collect the California rate of \$942 since it is the lowest rate of the two.

Example 4: A Florida resident purchases a used vehicle from an Ohio dealer. There is a trade in. Florida does allow a trade in allowance.

	Ohio Calculation	Florida Calculation
Purchase Price	\$20,000	\$20,000
Minus Trade in Allowance	Not allowed OH used vhcl.	\$7,000
Taxable Price	\$20,000	\$13,000
Tax Rate	5.75 Percent	6.0 Percent
Calculated Tax	\$1150.00	\$780.00

You would charge the lesser Florida rate of \$780. Remember, Ohio does not allow a trade in allowance on used vehicles.

Example 5: A Michigan resident purchases a used vehicle from an Ohio dealer. There is a trade in but Michigan, like Ohio, does not allow a used trade in allowance.

	Ohio Calculation	Michigan Calculation
Purchase Price	\$20,000	\$20,000
Minus Trade in Allowance	Not allowed OH used vhcl.	Not allowed MI used vhcl.
Taxable Price	\$20,000	\$20,000
Tax Rate	5.75 Percent	6.0 Percent
Calculated Tax	\$1150.00	\$1200.00

You would charge \$1150 in sales tax since the Ohio rate is lower than Michigan's.

Example 6: A South Carolina resident purchases a used vehicle from an Ohio dealer. South Carolina has a \$300 cap on sales tax.

	Ohio Calculation	South Carolina Calculation
Purchase Price	\$20,000	\$20,000
Taxable Price	\$20,000	\$20,000
Tax Rate	5.75 Percent	6.0 Percent (\$300 cap)
Calculated Tax	\$1150.00	\$300.00

Since South Carolina has a sales tax cap of \$300.00 the South Carolina rate is the lowest rate of the two. You can only charge up to \$300.00 sales tax to a South Carolina purchaser.

Example 7: A South Carolina resident purchases a lower priced used vehicle from an Ohio dealer. South Carolina has a \$300 cap on sales tax.

	Ohio Calculation	South Carolina Calculation
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Purchase Price	\$4,500	\$4,500
Taxable Price	\$4,500	\$4,500
Tax Rate	5.75 Percent	6.0 Percent (\$300 cap)
Calculated Tax	\$258.75	\$270.00

You would charge the Ohio rate since it is lower. Selling any vehicle to a South Carolina resident that is priced at \$5,200 or less will result in sales tax of \$299 or less and will always result in an Ohio sales tax rate that is lower than the South Carolina rate. Remember, the maximum sales tax you can charge a South Carolina purchaser is \$300.

Example 8: An Indiana resident purchases an RV or trailer with a load capacity of more than 2200 pounds from an Ohio dealer. Indiana exempts RV's and trailers with a load capacity of more than 2200 pounds from sales tax.

	Ohio Calculation	Indiana Calculation
Purchase Price	\$20,000	\$20,000
Taxable Price	\$20,000	\$20,000
Tax Rate	5.75 Percent	Exempt
Calculated Tax	\$1150.00	\$0.00

Since Indiana has an exemption for RV's and trailers that have a load capacity of over 2200 pounds, no sales tax would be charged on these vehicles.

When an out of state resident is from a state not listed above and does not pay sales tax in Ohio, the purchaser will also need to complete the out of state sale affidavit below:

http://www.tax.ohio.gov/portals/0/forms/fill-in/sales_and_use/exemption_certificates/ST_STEC_NR_FI.pdf

For any questions about sales tax be sure to call the Ohio Department of Taxation at 614-338-4781 or 1-877-644-6771. They offer a wealth of knowledge regarding motor vehicle sales tax.

Salvage Titles and Salvage Rebuilt Titles

Before a Salvage Title can be transferred to a Salvage Rebuilt Title the vehicle must pass an extensive inspection conducted by the Ohio State Highway Patrol. The purpose of the inspection is to prove ownership of all

the parts and review the required documentation. The Ohio State Highway Patrol charges \$50 for this inspection.

The following is a list of all salvage inspection stations in Ohio:

Bucyrus 1653 Marion Road Bucyrus, OH 44820 Phone: 419-563-0272	Columbus District 1583 Alum Creek Drive Columbus, OH 43209 Phone: 614-644-1667
Cambridge 95 Wildflower Drive New Concord, OH 43762 Phone: (740) 826-1030	Findlay District 8210 County Road 140, Suite D Findlay, OH 45840 Phone: 419-423-2957
Cleveland 5225 W. 140th St Brook Park, OH 44142 Phone: 216-265-1677	Jackson District 25 McCarty Lane Jackson, OH 45640 Phone: 740-286-3457
Cleveland 8730 Lake Road Seville, OH 44273 Phone: 330-769-5089	Piqua District 1275 Experiment Farm Road, Ste D Troy, OH 45373 Phone: 937-335-6412
Cleveland 3424 Parkman Road Southington, OH 44470 Phone: 330-898-2894	Wilmington District 9971 Cincinnati - Dayton Road West Chester, OH 45069 Phone: 513-777-5547

Required Inspection Documents

- A receipt for the \$50 inspection fee.
- Ohio salvage title
- Receipts for all replaced "major component parts"

All original receipts from where parts were purchased are required for all parts replaced.

Major parts inspected

- Front clip (also referred to as the "doghouse")
- Any fender or quarter panel

- Rear clip
- Any exterior door or hatch
- Engine
- Transmission or trans-axle
- Frame
- Bumper
- Hood
- Deck or trunk lid
- Dash (when entire dash is replaced)
- Seat
- Air bags
- Truck cab or bed
- Motorcycle fairing or other related parts

This list should only be used only as a guide.

For an overview of the inspection process and the required paperwork you can go to:

http://statepatrol.ohio.gov/doc/inspection_brochure.pdf

Be sure to contact the salvage inspection station in advance of any inspection. You may schedule a salvage inspection by visiting:

<https://ext.dps.state.oh.us/SalvageInspectionAppointment/Pages/Public/ScheduleInspection.aspx>

For further questions regarding salvage titles you may contact any inspection station listed above.

Out of State Inspections

When you purchase a vehicle with an out of state title, or if the vehicle is purchased from a dealer whose state allows dealer reassignments, the vehicle must pass an Out of State inspection before it can be issued an Ohio title.

Before you can transfer an out of state title to an Ohio title so you may resell the vehicle you must complete following steps:

1. Obtain the original out of state title, a copy of the title is not acceptable. If the out of state title reflects an open lien, proper paperwork showing the lien is released is required. If the out of state title is being held by a lienholder, any title office in Ohio can provide the necessary paperwork to request the original title.
2. Any vehicle last titled in another state must also have an Out of State Inspection before being titled in Ohio.

Further Out of State Inspection Guidelines

- May charge up to but not more than \$3.50
- The Clerk of Courts may charge an additional \$1.50

To view a complete list of Ohio title offices visit

http://bmv.ohio.gov/county_lst.stm

SCRIBBLING OUT MISTAKES OR USING WHITEOUT ON ANY TITLE WILL AUTOMATICALLY VOID THE TITLE.

For any additional questions about titles contact your local Clerk of Courts. They can answer any questions regarding in state or out of state titles.

UNIT FIVE

Dealer License Plates and Temporary Tags

Proper Use of Ohio Dealer License Plates

The Bureau of Motor Vehicles has strict standards you must abide by in order to keep your dealer license plates and you must ensure your dealer license plates are being used correctly.

Ohio dealers can legally display dealer license plates in the following scenarios:

- On any vehicle owned by the dealership titled for resale
- On any vehicle that is in transit from a dealer auction to the dealership

- On any vehicle that is in transit from the dealer to a purchaser
- On any vehicle that is being demonstrated for sale or lease
- On any vehicle being operated by the dealer with permission of the dealer

Placing an Ohio dealer license plate on the following vehicles is strictly **PROHIBITED**:

- Any commercial vehicle
- Any vehicle providing a service generating income
- Any vehicle hauling other motor vehicles
- Any vehicle transporting products
- Any vehicle being used for commercial purposes

You may never place a dealer plate on a truck that is pulling other vehicles or on a loaded trailer. If you use a truck to transport your vehicles to and from auctions you will need to tax, title, and license the truck in your dealership's name. If you stack several trailers on top of another trailer when transferring them to your dealership you cannot place a dealer plate on the bottom trailer. In this case the bottom trailer will need to be licensed in the dealership name because it is now a dealership service vehicle. Dealer plates must not be displayed on any motor vehicle, trailer, or boat that is hired for service or used as a wrecking vehicle.

Replacement Dealer Plates

To obtain a replacement dealer plate, you must log on to the dealer portal at:

[https://abs.dps.ohio.gov/dlrsys/\(S\(rpibmjbe1rbskynbfqomv45\)\)/english/signon.aspx](https://abs.dps.ohio.gov/dlrsys/(S(rpibmjbe1rbskynbfqomv45))/english/signon.aspx)

DEALERS MUST BE ABLE TO ACCOUNT FOR ALL DEALER LICENSE PLATES ISSUED TO THEIR BUSINESS AT ALL TIMES

Ohio Temporary Tags

BEGINNING JUNE 30, 2015 THE PERIOD YOU MAY DRIVE WITH AN OHIO TEMPORARY TAGS FOR MOTOR VEHICLES WAS CHANGED FROM 30 DAYS TO 45 DAYS.

BEGINNING SEPTEMBER 29, 2015 THE LAW REGARDING TEMPORARY LICENSE PLACARDS FOR OFF-HIGHWAY MOTOR CYCLES & ALL PURPOSE VEHICLES CHANGES AND WILL ALSO BE 45 DAYS. BEFORE SEPTEMBER 29, 2015 OFF-HIGHWAY MOTORCYCLES & ALL PURPOSE VEHICLE TEMPORARY PERMITS WILL ONLY BE FOR 30 DAYS.

If a 30 day temporary tag is issued to a customer on a motor vehicle after June 30, 2015, law enforcement may confiscate those temporary tags and impound the vehicle or could lead to arrests of the consumers.

THE PURCHASER OF A VEHICLE APPLYING FOR A TEMPORARY LICENSE PLACARD OR WINDSHIELD STICKER MUST SIGN AN AFFIDAVIT STATING THEY HAVE NOT BEEN ISSUED A LICENSE PLATE PREVIOUSLY DURING THE CURRENT REGISTRATION YEAR THAT COULD LEGALLY BE TRANSFERRED TO THE VEHICLE.

Temporary Tag Issuance Guidelines:

- Must have retail contract BEFORE issuing temporary tag
- May only be placed on a vehicle sold by the dealer. You may not place a temporary tag on any vehicle not sold by your dealership
- The purchaser must not have license plates that can be legally transferred
- Purchaser must sign temporary tag affidavit
- You may only place ONE temporary tag on a vehicle and may NEVER issue a second temporary tag that is not a replacement tag
- Dealers may NOT charge more than \$18.50 per temporary tag or more than \$5.50 per off-highway / APV sticker
- Must keep accurate record of all temporary tags sold on Ohio BMV form 4428

- Must notify Dealer Licensing Section of every temporary tag issued within 48 hours. (Non WE Dealers send BMW 4349, WE Dealers notify online)
- Must notify Dealers Licensing Section of every temporary tag voided within 48 hours (Non WE Dealers send BMV form 4382, WE Dealers notify online)

A dealer may issue a replacement temporary tag to the purchaser if the tag has been lost or damaged. The replacement temporary tag MUST expire on the same expiration date as the original issued temporary tag.

If a temporary tag ever expires before a title can be issued, the customer may go to a local Deputy Registrar and request a hardship temporary tag. The dealer may never issue a hardship temporary tag.

If two or more dealerships are located in the same business building all temporary tag inventories must be kept completely separate. Temporary tags cannot be sold or given to another dealer.

DO NOT pre-print temporary tag numbers on the applications. If an error is made on the application simply destroy that application and use a new one.

Incorrect or incomplete registration applications will be returned to the dealership for completion, and must be corrected within 48 hours. Continuous corrections may result in the suspension of your temporary tag privileges.

Temporary tags not reported or unused within the three years issued to the dealer will expire and no refunds will be issued.

For motor vehicles enter forty five days from the date of the sale. Be sure to adjust for 28 and 31 day months. DO NOT pre-write on temporary tags prior to issuance they will be considered as used and a refund will not be granted.

Complete the temporary tag by using a thick black waterproof marker. The marker must be waterproof so the information is not soiled due to weather.

The expiration date must fill the entire box. All boxes must be completed and holes punched to be a valid.

You cannot use temporary tags unless you have them. Be sure to order your temporary tags as soon as you receive your used motor vehicle license. The Dealer Licensing Section would like you to maintain at least a one month supply of tags.

All records, including temporary tag records, must be maintained and easily accessible for a period of three years. Remember, Federal law requires most records to be kept FIVE years.

Web Enabled (WE) Dealer Temporary Tags

You may also become a Web Enabled Dealer, or WE Dealer, allowing you to order and register your temporary permits online. Becoming a WE Dealer is very simple and has many advantages over non WE Dealers.

Here are some advantages of becoming a WE Dealer:

- WE Dealers report their temporary tags electronically by logging onto the Dealer Licensing Online Services which eliminates mailing temporary tag information. (Reporting still needs to take place within 48 hours of the sale)
- WE Dealers may purchase temporary tags for \$15.00 each and sell them for no more than \$18.50 per tag, \$3.50 profit on each tag
- The temporary tag applications are printed on demand eliminating the requirement of writing up each temporary tag sale
- You may easily monitor your tag inventory along with expiration dates
- If you ever need to issue a replacement temporary tag the system recalls the original temporary tag information which eliminates the need to re-enter information

Temporary off-highway/APV stickers do not qualify for the WE Dealer discount. Dealers purchase temporary off-highway/APV stickers for \$5.50 and may not sell them for more than \$5.50.

WE Dealers, like non WE Dealers, must report all temporary tags that are sold to the Dealer Licensing section within 48 hours. The notification for WE Dealers will be conducted through the online system. The voiding of any temporary tag must be reported within 48 hours as well. Reporting your voided temporary tags can be done easily online through the system.

When you want to become a WE Dealers just visit OhioAutoDealers.com then click on the Temporary Tag link on the left. Be sure to have your dealer id and password ready.

If you ever decide that you do not want to continue being a WE Dealer you must notify the Dealer Licensing Section at 614-752-7636.

Ordering Temporary Tags

You may either order your temporary tags online or by mail. The quickest way to is to order online.

Ordering Temporary Tags Online:

1. Log on to the electronic dealer section at OhioAutoDealers.com using your dealership user id and password
2. Pay for Temporary Tags with Electronic Check only. You may not use a credit card
3. Temporary tags will be shipped to dealership location within one to three business days. **YOU MUST SIGN A RECEIPT AT THE TIME OF DELIVERY!**

Order temporary tags by mail:

1. Download the Request Temporary Tag Form BMV 4381
<http://publicsafety.ohio.gov/links/bmv4381.pdf>
2. Complete and mail BMV 4381 with payment to the address listed on the form
3. Allow two to four weeks for processing
4. Temporary tags will be shipped to dealership location in two to four weeks. **YOU MUST SIGN A RECEIPT AT THE TIME OF DELIVERY!**

Orders that are returned undeliverable will be reshipped backed to the dealership one time ONLY. If the order is returned undeliverable a second time the dealer MUST pick the order up from the Dealer Licensing Section in Columbus. If the dealer is unable to be contacted a refund will be issued for the order. Please plan your schedule accordingly when ordering temporary tags and dealer plates as you must be available at the time of delivery.

IF TEMPORARY TAG GUIDELINES ARE NOT FOLLOWED THE OHIO BUREAU OF MOTOR VEHICLES MAY SUSPEND YOUR PRIVILEGE OF SELLING TEMPORARY TAGS

UNIT SIX

Financing

Ohio Financing Laws

Ohio law requires all retail installment contracts to be in writing. If you are using a third party lender, be sure the paper work that is being printed during the loan application is compliant with all Ohio laws in addition to all Federal laws. If you are operating a buy here pay here dealership be sure the documents completed by your attorney for you to use on every transaction are compliant with all Ohio and Federal finance laws.

Ohio laws require the customer is given copies of all finance documents and will normally be asked to sign a document stating they have received copies of the documents.

Ohio law also requires certain details must be included in the written contract such as:

- The price
- The down payment
- The cost of insurance (if any)
- All finance charges

- Balance due under the contract
- Details of payments

Dealers are strictly prohibited from giving out customer's social security numbers, credit card account numbers, expiration dates, and other personal financial information. Ohio state laws also prohibit any business from printing credit card expiration dates or more than five digits of consumers' credit card numbers on receipts.

Federal Financing Laws

Truth in Lending Act

The purpose of Truth in Lending Act is to promote the informed use of consumer credit by requiring disclosures about its terms and cost. The Truth in Lending Act also gives consumers the right to cancel certain credit transactions that involve certain credit card practices and provides a means for fair and timely resolution of credit billing disputes. The Truth in Lending Act does not regulate the charges that may be imposed for consumer credit. Rather, it requires a maximum interest rate to be stated in variable-rate contracts secured by the consumer's vehicle.

The Truth in Lending Act requires you to disclose the following information in writing to any customer that is obtaining a loan for a vehicle:

- Length of time of the loan.
- Amount financed
- All finance charges
- Schedule of payments
- Identity of the creditor
- Itemization of amount financed
- Annual percentage rate including applicable variable-rate disclosures
- Total of payments
- Payment schedule
- Prepayment/late payment penalties

If applicable to the transaction:

- Total sales cost
- Demand feature
- Security interest
- Insurance
- Required deposit
- Reference to contract

The Equal Credit Opportunity Act

When helping your customers gain financing you also must follow the Federal Equal Credit Opportunity Act. The Equal Credit Opportunity Act ensures that all consumers are given an equal chance to obtain credit. Factors such as income, expenses, debt, and credit history are still taken into consideration when approving or disapproving credit. Anyone involved in granting credit, such as automobile dealers who arrange financing through third party lenders, automobile dealers offering buy here pay here financing, and motor vehicle dealers acting as the lien holder of financed motor vehicles must follow the Equal Credit Opportunity Act.

As a creditor you may not:

- Discourage your customers from applying for credit because of their sex, marital status, age, race, national origin, or because they receive public assistance income
- Ask your customers applying for credit to reveal their sex, race, national origin, or religion
- Ask your customers applying for credit if they are widowed or divorced
- Ask about marital status if they are applying for a separate, unsecured account
- Request information about your customer's spouse, except when the spouse is applying with the customer; the spouse will be allowed to use the account; they are relying on the spouse's income or on

alimony or child support income from a former spouse; or if they reside in a community property state

- Ask about your customers plans for having or raising children.
- Ask if your customers if they receive alimony, child support, or separate maintenance payments, unless they are first told that they don't have to provide this information if they won't rely on these payments to get credit
- You may ask if the customer has to pay alimony, child support, or separate maintenance payments
- Consider whether your customer has a telephone listing in your name. A creditor may consider whether you have a phone

As a creditor, you may not consider your customers age unless:

- They are too young to sign contracts, generally younger than 18 years of age

When Evaluating Your Customers Income A Creditor May Not:

- Refuse to consider public assistance income the same way as other income
- Assume a woman of childbearing age will stop working to raise children
- Discount or refuse to consider income because it comes from part-time employment or pension, annuity, or retirement benefits programs
- Refuse to consider regular alimony, child support, or separate maintenance payments
- Ask a customer if they are thinking about starting a family

When Credit Is Declined

- Creditor must let the customer know why their application was rejected
- The creditor must give the customer a notice that tells them the specific reasons for the rejection within 60 days

- Acceptable reasons include: "Your income was low," or "You haven't been employed long enough"
- Unacceptable reasons are: "You didn't meet our minimum standards," or "You didn't receive enough points on our credit-scoring system"
- Indefinite and vague reasons are illegal, so you must be specific

CREDIT APPLICANTS THAT HAVE BEEN DENIED EQUAL LENDING OPPORTUNITIES UNDER THE EQUAL CREDIT OPPORTUNITY ACT MAY RECOVER PUNITIVE DAMAGES FROM YOUR DEALERSHIP FOR OF UP TO \$500,000 OR ONE PERCENT OF YOUR NET WORTH, WHICHEVER IS LESS.

The Gramm Leach Bliley Privacy Act

The Gramm Leach Bliley Act includes provisions to protect consumers personal financial information held by financial institutions These regulations apply to financial institutions which include not only banks but also companies providing many other types of financial products and services to consumers such as motor vehicle dealers. Among these services are lending, brokering or servicing any type of consumer loan, collecting consumer debts, and many other financial activities.

There are three parts to the Gramm Leach Bliley Act privacy requirements:

- The Financial Privacy Rule
- The Safeguards Rule
- The Pre-texting provisions

The Financial Privacy Rule

The Financial Privacy Rule governs the collection and disclosure of customer's personal financial information by financial institutions. The Financial Privacy Rule requires financial institutions to give their customers privacy notices that explain the financial institution's information collection

and sharing practices. In turn, customers have the right to limit some sharing of their information.

The Safeguards Rule

The Safeguards Rule requires financial institutions to have a security plan to protect the confidentiality and integrity of personal consumer information. You must be able to protect customer information whether it is stored in hard paper files, or on a computer hard drive. Hard paper files must be stored in a lockable type of paper storage system. Any computer used to store customer information must have the latest firewall, spyware, and anti-virus protection.

The Pre-texting provisions

The Pre-texting provisions of the Gramm Leach Bliley Act prohibit pre-texting, the use of false pretenses, including fraudulent statements and impersonation, to obtain consumer's personal financial information, such as bank balances.

The Privacy Notice

The privacy notice of the Financial Privacy Rule must be a clear and accurate statement of your company's privacy practices. It should include what information you collect, with whom you share the information, and how you protect or safeguard the information. Information that the company has reason to believe is lawfully public - such as mortgage loan information in a jurisdiction where that information is publicly recorded - is not restricted by the GLB Act. The privacy notice also must explain that consumers have a right to say no to the sharing of certain information such as credit report or application information with the financial institution's affiliates.

Opt-Out Rights

Consumers and customers have the right to opt out of - or say no to - having their information shared with certain third parties. The privacy notice

must explain how that can do that. For example, providing a toll-free telephone number or a detachable form with a pre-printed address is a reasonable way for customers to opt out; requiring someone to write a letter as the only way to opt out is not

If you provide any type of vehicle financing, or broker financing from another lending institution such as a bank or third party lender, you must provide each customer a privacy notice that discloses what you will do with such information. You must safeguard customer information and protect any customers against companies that obtain financial information under false pretenses.

BE SURE TO CONSULT WITH A LICENSED OHIO ATTORNEY THAT SPECIALIZES IN OHIO MOTOR VEHICLE LAWS BEFORE OFFERING ANY TYPE OF FINANCING!

Ohio Dealer Repossessions

If you are financing the vehicles that are being sold on your lot, you must clarify in writing when the customer has “defaulted” on their payments to you. Your contract may state the customer is in default of the loan if their payment is 15 days past due, or 30 days past due, or 60 days past due. These are just examples, be sure to consult an attorney when writing default guidelines. Some dealers give customers a grace period to catch up late payments to prevent the repossession.

During a repossession the dealer is not allowed to do anything that is likely to lead to violence. The dealer may also not provoke a customer during a repossession or incite the customer to “break the peace.” If the dealer “breaks the peace” the customer can ask the dealer to leave and stop trying to repossess your car. If the dealer refuses, the customer can contact the police and ask for an officer to come out to “keep the peace.”

You must never use or threaten to use force to during a repossession. You are not generally required to contact the customer before the repossession unless it is specifically required in your installment contract. Within five business days of the repossession you must send two written notices to the

customer explaining why the vehicle was repossessed and step by step instructions on how to get the vehicle back. If the customer is not able to pay the balance due, plus any penalties, you may have to resell the vehicle. If you are going to resell the vehicle you must give the customer at least ten days written notice before the sale. Make sure your attorney includes all this information in writing when drafting your documents.

If your customer files for bankruptcy you may not be allowed to repossess the vehicle.

I would never recommend starting a buy here pay here dealership if you have never operated a dealership in the past. It is a good idea to start your dealership using a third party finance company or a bank to finance your vehicles. When you have a few months, or years under your belt as a licensed Ohio motor vehicle dealer you may want to explore operating your own buy here pay here dealership.

BE SURE TO CONSULT WITH A LICENSED OHIO ATTORNEY THAT SPECIALIZES IN OHIO MOTOR VEHICLE LAWS BEFORE OFFERING ANY TYPE OF FINANCING INCLUDING STARTING A BUY HERE PAY HERE DEALERSHIP!

UNIT SEVEN

Various Dealer Information

Document Fees

A dealer selling a motor vehicle can charge a fee for preparation of documents related to the sale.

Ohio dealerships may legally charge a document fee of up to \$250 or 10 percent of a vehicle price, **WHICHEVER IS LESS.**

Example:

Vehicle Price	Maximum Document Fee
\$10,000.00	\$250.00
\$5,000.00	\$250.00
\$2,500.00	\$250.00
\$2,000.00	\$200.00
\$1,000.00	\$100.00
\$500.00	\$50.00

You are allowed to charge this document fee to cover the costs of completing all of the necessary paperwork that is involved in a motor vehicle transaction. The document fee can be added to a vehicle's base price and is subject to sales tax.

It is important to note that the dealership is not required to charge the document preparation fee.

IF YOU DO DECIDE TO CHARGE A DOCUMENT FEE FOR PREPARING DOCUMENTS THE FEE MUST BE DISCLOSED IN WRITING.

Advertising Regulations

The following advertisement regulations apply whether you are advertising in print, radio, television, display, all forms of internet advertising, and any other type of ad medium.

Deceptive advertising is never allowed under any circumstances. Here are several examples of deceptive advertising:

- The use of inaccurate photographs when advertising specific automobiles is deceptive
- The use of any unexplained abbreviation that is confusing or not readily understood by the general public is deceptive such as "WAC" instead of "With Approved Credit"
- The use of the terms "specially selected," "valued customer," or similar terms is deceptive if the consumer has not been specifically targeted with the advertisement

- It is deceptive to use one or more asterisks in which disclaimers confuse or contradict the message of an advertisement
- Falsely implying that a dealer can sell vehicles at lower prices than other dealers as a result of its size, inventory, or sales volume is unfair and deceptive
- Using “factory outlet,” “factory authorized sale,” “special purchase,” or similar terms to imply that the dealer has a special relationship with the manufacturer which is greater than other dealers is unfair and deceptive
- The use of “liquidation sale,” “close out sale,” or similar terms used to create the impression the business will cease to exist after the sale is unfair and deceptive unless the business is, in fact, going to close
- Using “repossession sale,” “seized vehicles” or similar terms to induce a belief that the vehicles were obtained through repossession or seizure, and sold at lower prices is unfair and deceptive, unless it is true
- It is deceptive for a dealer to offer a vehicle at a specific price and fail to make that vehicle available for sale. If an advertised vehicle is not in stock, the advertisement must specify that the vehicle is not in stock and it must be ordered
- An advertisement that fails to disclose the duration of limited time offer, including manufacturer’s rebates, sales, or special promotions, is unfair and deceptive
- The use of “lowest prices,” “guaranteed lowest prices,” “prices lower than anyone else’s,” or similar terms is unfair and deceptive unless such claims can be substantiated
- Comparing the offering price to the “dealer’s cost,” “actual cost,” “cost,” or similar terms is inherently deceptive due to the difficulty in determining the dealer’s net cost
- It is deceptive to advertise the price to be paid for a trade-in as a range of prices, such as “up to \$200” or “as much as \$2000.”
- Use of the term “certified” in connection with the sale or lease of used motor vehicles is deceptive unless the manufacturer has an established inspection program for pre-owned vehicles backed by the manufacturer’s warranty and the vehicle has passed such an inspection according to the manufacturer’s standards.

- It is deceptive to use the word “rustproofing” in any add

If a current or previous model year vehicle is used you must disclose the words “used,” “previously owned,” or “pre-owned.”

A distress sale must not extend for greater than an initial 45 days without the motor vehicle dealer disclosing the extension on advertisements. The total length of the sale must not exceed 90 days.

Generally, “free” or similar terms may be used only if the cost of the free good or service is not passed on to the consumer by raising the regular price of vehicle that must be purchased in connection with the free offer.

The following advertising concepts may lead to an investigation by the Ohio Attorney General’s Office

- Disclaimers that contradict the advertisement message
- Deceptive or unfair advertisements
- Small print that is unreadable
- Prize notifications, including free products or instant savings scratch-offs
- References to the government or use of a seal — anything that could cause a reasonable consumer to believe he is receiving an official document or notice
- Minimum or specific amounts offered for trade-ins
- Advertisements or direct mail solicitations that include fake “checks”
- Reference to the manufacturer’s suggested retail price (MSRP), either directly or indirectly, in a used vehicle advertisement
- Use of these or similar terms:
 - “liquidate” or “liquidated”
 - “bank foreclosure” or “repossessed”
 - “specially selected” or “chosen”
 - “wholesale pricing direct to the public,” “pennies on the dollar,” or “sold regardless of loss of profit”

All motor vehicle “invoice” advertisements in Ohio must clearly and conspicuously disclose the following: “FACTORY INVOICE MAY NOT REFLECT THE DEALER’S ACTUAL COST.”

Bait Advertising

Bait-and-switch advertising tactics violate Ohio and Federal laws. Bait advertising occurs when a supplier offers goods or services for sale but the offer is not a bona fide offer to sell the product or service. An offer is considered not in good faith if the supplier:

- Misrepresents an important aspect of the product
- Secures the first contact with the consumer through deception
- Discourages the sale of the advertised product or service in favor of a costlier item.
- Advertises a specific vehicle, sells the specific vehicle, then tries to “Switch” future customers to a non advertised vehicle

Below you will find a link to the Ohio Attorney General’s Office brochure on Ohio dealer advertising:

<http://www.ohioattorneygeneral.gov/Files/Publications-Files/Publications-for-Business/Guidelines-for-Motor-Vehicle-Advertising-%28PDF%29.aspx>

THE WORD “RUSTPROOFING” MAY NEVER BE USED IN ANY ADVERTISEMENT OR WRITTEN DOCUMENT WHATSOEVER. OFFERING RUSTPROOFING IS A VIOLATION OF OHIO LAW.

Damage to Vehicle when Dealer Affixes Business Name

Ohio dealers may not attach any tag or placard bearing the dealer's name when attaching the name involves drilling in any part of the body or trim of the vehicle unless the purchaser gives the dealer permission in writing.

Any damage to the body or trim of a vehicle that results from a dealer drilling holes to attach a business name, at the request of the purchaser of the vehicle, must be repaired by the dealer in a manner acceptable to the purchaser and at no cost to the purchaser.

Exporting Motor Vehicles

Ohio State Law requires any dealer that is exporting a vehicle to comply with Ohio's motor vehicle exporting procedure.

Vehicle Exporting Guidelines:

- Ensure vehicle is title properly in the name of the motor vehicle owner and the assignment is to the purchaser
- Make copies of title for your records
- Submit the title along with Export Application for a Motor Vehicle BMV Form 3717 <http://publicsafety.ohio.gov/links/bmv3717.pdf>

Submit Title and BMV 3717 to:

Ohio Bureau of Motor Vehicles
PO Box 16520
Columbus, Ohio 43216-6520

The BMV will then deactivate and retain the title, then mail you documents that show proof of ownership for export.

FAILURE TO NOTIFY THE BUREAU OF MOTOR VEHICLES WHEN EXPORTING A VEHICLE CAN RESULT IN PENALTIES OF UP TO ONE YEAR IN PRISON AND A \$2500 FINE.

E-Check Emissions Testing

In Jan. 1996, the State of Ohio began a new vehicle emissions testing program, E-Check, designed to identify motor vehicles that emit excessive levels of pollutants into the air.

If your customer lives in one of the Northeast Ohio counties of Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, or Summit, the vehicle may have to pass an E Check inspection.

Vehicles between 4 and 25 years of age are subject to emissions testing but vehicles powered by alternative fuels are exempt. Customers purchasing a vehicle must obtain a valid E-Check registration before registering the vehicle. A passing certificate is good for one year and is transferable to a new owner.

You may easily view a vehicles E-Check testing history by visiting ohiocheck.info and click on the green “View Vehicle Test History” button at the right then input the VIN. This feature will allow you to check a vehicle’s test history. If you are thinking of purchasing a vehicle, this can be valuable information.

To find E-Check emissions testing locations you can visit:

<http://ohiocheck.info/self-service-kiosks>

Or you can conduct E-Checks at the following self-testing kiosks located at:

Berea 1291 W. Bagley Rd. Berea, OH 44017	Painesville 1755 North Ridge Rd. Painesville, OH 44077
Cleveland 4557 Industrial Pkwy Cleveland, OH 44135	Elyria 128 Reaser Ct. Elyria, OH 44036
Euclid 1750 Metro Dr. Euclid, OH 44132	Medina 770 North Progress Dr. Medina, OH 44256
North Royalton 13000 York Delta Dr. North Royalton, OH 44133	Kent 1460 Fairchild Rd. Kent, OH 44240
Warrensville Heights 19000 S Miles Rd. Warrensville Heights, OH 44128	Rootstown 5093 S Prospect St. Rootstown, OH 44272

Westlake 24770 Sperry Dr. Westlake, OH 44145	Akron 1818 Copley Rd. Akron, OH 44320
Valley View 6150 West Canal Rd. Valley View, OH 44125	Cuyahoga Falls 3478 State Rd. Cuyahoga Falls, OH 44223
Chardon 10632 Auburn Rd. Chardon, OH 44024	Twinsburg 2200 Pinnacle Pkwy. Twinsburg, OH 44087

It is not necessary to test your vehicle in the same county that it is registered.

If you have further questions or need more information about the E-Check program you can call 1-800-227-8378.

UNIT EIGHT

Federal Dealer Laws

In addition to all Ohio laws that affect the operation of your dealership you must also adhere to several Federal laws. Every Ohio dealership must follow these strict Federal operating guidelines or face the possibility of extensive Federal fines.

Federal Trade Commission Buyers Guide Law

The Federal Trade Commission Buyers Guide law requires every dealership in the United States to disclose whether or not they offer a warranty on any vehicle they sell. This information must be disclosed before the test drive.

EVERY OHIO DEALERSHIP MUST PROMINENTLY DISPLAY A FEDERAL TRADE COMMISSION BUYERS GUIDE ON EVERY VEHICLE HELD FOR RESALE WITH THE EXCEPTION OF MOTORCYCLES.

The Buyers Guide window sticker must contain the following information:

- A description of the terms of any warranty offered with the car, including its duration, the systems it covers and the percentage of repair costs the dealer will pay;
- A prominent statement of whether the dealer is selling the car "as is," and if so, a warning that the consumer must pay for any repairs needed after purchase;
- A warning that spoken promises are difficult to enforce, coupled with a suggestion to get all promises in writing as proof of the agreement;
- A statement advising the buyer to keep the window sticker after the sale;
- A suggestion that the consumer ask to have the car inspected by his or her own mechanic before purchase;
- An identification on the back of the window sticker of the major mechanical and safety systems of the car, including a list of some major problems that may occur in used cars; and
- Information about the availability of any service contracts.

THE ONLY EXCEPTION TO THE FEDERAL TRADE COMMISSION BUYERS GUIDE LAW IS MOTORCYCLE. IF THE VEHICLE YOU ARE SELLING IS NOT A MOTORCYCLE THEN, YES, YOU MUST DISPLAY THE FEDERAL TRADE COMMISSION BUYERS GUIDE ON VEHICLE.

Federal Trade Commission Red Flag Rules

The Federal Trade Commission Red Flag Rules require any automobile dealer that offers or brokers any type of financing to develop and implement, in writing, an Identity Theft Prevention Program to report any attempt at identity theft. The Identity Theft Prevention Program must include reasonable policies & procedures for identifying and preventing identity theft and enable an automobile dealer to:

- Identify relevant patterns, practices, and specific forms of activity that are
- “Red Flags” signaling possible identity theft and incorporate those red flags into the program
- Detect Red Flags that have been incorporated into the program
- Respond appropriately to any Red Flags that are detected to prevent and mitigate identity theft
- Ensure the program is updated periodically to reflect changes in risks from identity theft

To report any attempt at identity theft or for questions about compliance with the Red Flag Rules, you may contact redflags@ftc.gov or call 1-877-382-4357.

As stated above, you must have a writing policy stating how you report identity theft attempts to the Federal Trade Commission.

You could create a document that reads “WE REPORT ANY ATTEMPTS OF IDENTITY THEFT TO THE FEDERAL TRADE COMMISSION”, then frame the document and placed it next to your dealer license.

THE FEDERAL GOVERNMENT REQUIRES EVERY AUTOMOBILE DEALERSHIP IN THE UNITED STATES TO HAVE A WRITTEN POLICY DESCRIBING HOW THEY REPORT “RED FLAGS OF IDENTITY THEFT” TO THE FEDERAL TRADE COMMISSION.

Driver Privacy Protection Act

In June of 2000 the state of Ohio became an “opt in” state under the Federal Driver Privacy Protection Act meaning all Ohio dealers must follow and comply by this law. The Driver Privacy Protection Act restricts the release of personal information (name, address, date of birth, etc.) from motor vehicle and driver licensing records. A person or entity may only access the personal information on a Ohio driver record if they are exempt under the Federal Driver's Privacy Protection Act or they have obtained express consent from the record holder.

Businesses cannot request personal information for the purpose of bulk mailings.

The Federal Driver's Privacy Protection Act (DPPA) allows the release of an individual's personal information on driver/non-driver license records to the following entities and under the following conditions:

- A government agency (federal, state or local) or employed by such, and authorized to request vehicle/driving records for the purpose of the government agency's carrying out its functions.
- An Ohio Circuit, Associate Circuit or Municipal court, an out-of-state court, and authorized to request vehicle/driving records for the purpose of the court's carrying out its functions.
- An Ohio or out-of-state law enforcement agency and authorized to request vehicle/driving records for the purpose of the law enforcement agency's carrying out its functions.
- Authorized under the Federal Driver's Privacy Protection Act to request and obtain the vehicle/driving record for use in connection with matters of motor vehicle or driver safety and theft; motor vehicle emissions; motor vehicle product alterations, recalls, or advisories; performance monitoring of motor vehicles, motor vehicle parts and dealers; motor vehicle market research activities, including survey research; and removal of non-owner records from the original owner records of motor vehicle manufacturers.
- Authorized representative, agent, contractor, or employed by such, of a legitimate business and the vehicle/driving record being requested will be used for normal course of business; but only to: verify accuracy of the personal information.

WHETHER YOU ARE SELLING A VEHICLE OR BUYING A VEHICLE ALL OF YOUR CUSTOMERS WILL BE 'DRIVERS', THEREFORE ALL OF YOUR DRIVER'S PRIVACY IS PROTECTED UNDER THE FEDERAL DRIVER PRIVACY PROTECTION ACT.

Uniform Commercial Code

The Uniform Commercial Code is a set of uniform merchandise transaction laws that have been adopted by all 50 states. The purpose of the Uniform Commercial Code is to bring a standardized sales process to anyone selling goods or merchandise throughout the United States.

The Uniform Commercial Code states that any contract or contract for sale that is in writing, verbally spoken, or transferred in any other means is enforceable.

If you tell a customer that you will take a certain price for a vehicle, you may not change the price of the vehicle when closing the transaction. If you state a certain price for a vehicle in writing or verbally, you must not raise the price of the vehicle during negotiations, it must be sold for the stated price.

The Uniform Commercial Code also requires you to disclose all warranty information in writing and requires you to disclose any mechanical defects that you are aware of, no matter how minor.

The Uniform Commercial Code also requires you to transfer a vehicle with a good and transferrable title. You may not sell a vehicle that is not able to be titled unless you disclose that the vehicle cannot be titled. Full disclosure of the vehicles non titling status would need to be in writing and signed by all parties involved.

The Uniform Commercial Code contains over 900 pages of information and is beyond the scope and size of this dealer training manual. The main goal of the Uniform Commercial Code requires full disclosure of all selling terms in writing before the sale of any item. For further information about the Uniform Commercial Code be sure to consult with an attorney

United States Patriot Act

- The United States Patriot Act was implemented after September 11, 2001 to prevent and punish terrorist attacks against the United States.

- The United States Patriot Act authorizes an investigative or law enforcement officer, who has obtained knowledge of the contents of any wire, oral, or electronic communication to disclose such contents to the proper authorities when such contents include foreign intelligence or counterintelligence. It also permits the seizure of voice-mail messages under a warrant. It expands the subpoena power for records of electronic communications to include the source of payment (including any credit card or bank account number).
- It also authorizes the Director of the FBI to apply for a court order requiring production of certain business records for intelligence and international terrorism investigations. It provides for nationwide service of search warrants for electronic evidence.
- It gives the Federal Government greater powers to investigate domestic and international money laundering activities. It allows the Federal Government to adopt regulations to encourage further cooperation among financial institutions and law enforcement authorities, with the specific purpose of encouraging financial institutions and law enforcement authorities to share information regarding individuals, entities, and organizations engaged in or reasonably suspected of engaging in terrorist acts or money laundering activities.
- Requires a consumer reporting agency to furnish all information in a consumer's file to a government agency upon certification that these records are relevant to an investigation related to international or domestic terrorism.
- Knowing concealment and attempted transport or transfer of currency across U.S. borders excess of \$10,000 without following US Treasury Cash Reporting Guidelines requirements is now a felony.

Under the USA Patriot Act, you must be ready to produce any paper or electronic files in your possession that are required in an effort for the Federal Government to prevent and punish terrorism acts against the United States.

National Motor Vehicle Title Information System

The National Motor Vehicle Title Information System is a title database that keeps track of title history and provides consumers with valuable information about a vehicle's condition and history.

This system may be of assistance to you when you are researching a vehicle history and the vehicle title is from another state. Ohio title history can be easily searched using the Ohio Clerk of Courts database described earlier in the course. But the Ohio Clerk of Courts database only searches Ohio titles, not out of state titles.

The National Motor Vehicle Title Information System allows you to find information on the vehicle's title, most recent odometer reading, brand history, and, in some cases, historical theft data.

If you are opening an auto recycler, junk, or salvage yard you will also be required to file a monthly report with the National Motor Vehicle Title Information System.

There is a fee to use this system and the information can be accessed by several 3rd party companies. To find a list of the providers that have access to this system just log on the National Motor Vehicle Title Information System at:

www.vehiclehistory.gov

United States Treasury Cash Reporting Requirements

Any person in the course of business that receives more than \$10,000 cash in one or two or more related transactions must file IRS Form 8300. Any transaction that is one of a series of connected transactions must be reported.

Cash is considered any of the following:

- United States and foreign coin or currency

- A combination of cashier's check, money order, bank draft, or travelers check that total more than \$10,000

Cash does not include:

- A personal check drawn on the payer's own account, regardless of the amount
- A cashier's check, money order, bank draft, or travelers check if it constitutes a bank loan, or it is received as a payment on certain promissory notes, installment sales contracts, or down payment plans

You must file IRS Form 8300 by the 15th day after the date the cash was received. If that date falls on a Saturday, Sunday, or legal holiday you may file the form on the next business day.

You must furnish a correct Taxpayer Identification Number of the person or persons from whom you receive the cash and, if applicable, the person or persons on whose behalf the transaction is being conducted. You may be subject to penalties for incorrect or missing Taxpayer Identification Numbers. The Taxpayer Identification Number for an individual, including sole proprietorships, is the individual's Social Security Number. For other persons, including corporations, partnerships, and estates, it is the Employer Identification Number. If you are not able to obtain a Taxpayer Identification Number for one or more of the parties to a transaction within 15 days following the transaction, file the report and attach a statement explaining why the Taxpayer Identification Number is not included.

IRS Form 8300 may be filed for any suspicious transaction even if the total does not exceed \$10,000.

YOU MUST GIVE A WRITTEN OR ELECTRONIC STATEMENT TO EACH PERSON NAMED ON FORM 8300 ON OR BEFORE JANUARY 31 OF THE YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE CASH WAS RECEIVED.

The statement must show the name, telephone number, and address of the information contact for the business, the amount of reportable cash

received, and that the information was furnished to the IRS. Keep a copy of the statement for your records.

You may be subject to penalties if you fail to file a correct and complete Form 8300 on time and you cannot show that the failure was due to reasonable cause. You may also be subject to penalties if you fail to furnish timely a correct and complete statement to each person names in a required report.

A MINIMUM PENALTY OF \$25,000 MAY BE IMPOSED IF THE FAILURE IS DUE TO AN INTENTIONAL OR WILLFUL DISREGARD OF THE CASH REPORTING REQUIREMENTS.

You may obtain IRS Form 8300 at: www.irsform8300.com

You must mail Form 8300 within 15 days of the transaction to:

Internal Revenue Service
Detroit Computing Center
P.O. Box 32621
Detroit, MI 48232

YOU MUST KEEP A COPY OF FORM 8300 IN YOUR FILES FOR A MINIMUM OF 5 YEARS

UNIT NINE

Material to Review

Ohio Smoking Ban

Since 2006 the state of Ohio has banned smoking in most public places.

Under certain conditions, private residences, family-owned businesses without non-family employees, certain areas of nursing homes, outdoor patios, and some retail tobacco stores are exempt.

There basically three guidelines to comply with the Ohio smoking ban:

1. Prohibit smoking
2. Remove ashtrays
3. Post no-smoking signs with the toll-free enforcement number 1-866-559-OHIO (6446)

Click on the link below to download a no smoking sign:

<https://www.odh.ohio.gov/~media/ODH/ASSETS/Files/news/nosmokingsignincolor.pdf>

If a no smoking symbol is used, it must be in color.

For more information visit the Ohio Department of Health at:

<http://www.odh.ohio.gov/smokefree/Smoking%20Ban%20FAQs.aspx> or call them directly at 614-466-3543.

Hiring Employees

Federal and State law requires employers to report newly hired employees in Ohio to the Ohio New Hire Reporting Center.

In 1996, Congress enacted a law called the "Personal Responsibility and Work Opportunity Reconciliation Act," it was major part of welfare reform. This Federal law requires employers in every state to report their new hires to a state directory.

Ohio employers must report all employees who live or work in the State of Ohio to the Ohio New Hire Reporting Center.

You can report your newly hired employees electronically at:

<https://newhire-reporting.com/OH-Newhire/electronic.aspx>

If you have questions about how to report newly hired employees you can call the Ohio New Hire Reporting Center at 614-221-5330 or toll free at 888- 872-1490. Here is the contact address:

Ohio New Hire Reporting Center
P.O. Box 15309
Columbus, OH 43215

Hourly Wages Paid

To ensure you are paying the correct wages to employees you must contact the Ohio Department of Commerce.

They can answer your questions and supply the required poster. Guide to Fair Labor Standards Act." You can request a copy from any local

Ohio Department of Commerce
77 South High Street
23rd Floor
Columbus, OH 43215-6123
Or call 614-644-2239

Federal Employee Identification Number

If you hire one or more employees you will be required to file a Federal application for a Federal Employee Identification Number or it is sometimes called a Federal Tax ID Number. You will need the Employee Identification number when you file your taxes.

You can complete the form by visiting the link below:

<http://www.irs.gov/pub/irs-pdf/fss4.pdf>

Be sure to consult with a tax professional with regard to paying taxes with your dealership.

Workers Compensation

If you have any employees in the state of Ohio you must have an active workers' compensation policy to insure coverage for those employees against a workplace injury.

Owners of sole proprietorships, partners in a partnership and individuals incorporated as a corporation (with no employees) are not considered employees and have the option whether or not to cover themselves.

If you are an Ohio corporation all employees, including corporate officers, except for individuals incorporated as a corporation with no employees or family farm corporate officers, are considered employees and must have an active workers' compensation policy covering them.

You can apply for workers compensation here:

<https://www.bwc.ohio.gov/employer/forms/coverage/default.aspx>

This is a very brief overview of workers compensation. For further questions regarding workers compensation you can contact the Ohio Bureau of Workers Compensation at 1-800-644-6292.

Unemployment Insurance

Under the Ohio Unemployment Compensation Law most employers are liable to pay Unemployment Compensation taxes and report wages paid to their employees on a quarterly basis.

The Ohio Department of Job and Family Services has created an excellent frequently asked questions page to help answer questions regarding unemployment insurance. Just visit:

http://www.jfs.ohio.gov/unemp_comp_faq/index.stm

You may also call the Ohio Department of Job and Family Services directly at 614-466-2319 for further information regarding unemployment insurance.

You may also download an extensive Ohio Unemployment Compensation Guide here:

<http://www.odjfs.state.oh.us/forms/file.asp?id=1794&type=application/pdf>

United States Department of Labor Posters

The Department of Labor require posters or notices be posted in the workplace. The Department provides electronic copies of the required posters and many of the posters are available in languages other than English.

You can find a list of the posters and poster requirements here:

<http://www.dol.gov/oasam/boc/osdbu/sbrefa/poster/matrix.htm>

If you have questions regarding what posters are required to be posted you may contact the United States Department of Labor at 1-866-487-2365.

Ohio Civil Rights

Any Ohio employer with four or more employees must abide by the states anti-discrimination laws including displaying a “Fair Employment Practices” poster in a highly visible area.

You can find out more at:

<http://crc.ohio.gov/>

or call the Ohio Civil Rights commission at 614-466-2785.

Ohio Tax Requirements

Ohio Commercial Activity Tax (CAT)

The CAT is a tax on the privilege of doing business in Ohio that is measured by gross receipts. This tax applies to all types of businesses such as retailers, service providers (such as lawyers, accountants and doctors), manufacturers and other types of businesses.

In general, the CAT is paid by businesses with taxable gross receipts of more than \$150,000 in a calendar year. The CAT applies to all entity types regardless of form, e.g., sole proprietorships, partnerships, LLCs and all types of corporations.

The tax applies to businesses that meet any of the following criteria at any point throughout the calendar year:

- Have at least \$500,000 in taxable gross receipts in Ohio
- Have at least \$50,000 in property in Ohio
- Have at least \$50,000 in payroll for work in Ohio
- Have at least 25% of their total property, payroll or gross receipts in Ohio
- Are domiciled in Ohio

Taxpayers with taxable gross receipts between \$150,000 and \$1 million in a calendar year file as annual taxpayers. Beginning in 2010, the annual return and the \$150 minimum tax are due on May 10th of each calendar year.

Taxpayers with taxable gross receipts in excess of \$1 million in a calendar year must file quarterly, the return and tax are due the 10th day of the second month following each tax period, see below:

- Filing period Jan 1st –March 31st is due May 10th
- Filing period April 1st –June 30th is due August 10th
- July 1st –September 30th is due November 10th
- October 1st –December 31st is due February 10th

Withholding Employees Income Tax

Every Ohio business that has one or more employees and conducts business in Ohio must withhold income tax from wages every pay period. You will need to contact the Ohio Department of Taxation and complete an application called Registering as an Ohio Withholding Agent.

You can download the form here:

http://www.tax.ohio.gov/portals/0/forms/employer_withholding/generic/wth_i t1.pdf

Effective January 1, 2015, employers are required to file state income tax withholding returns and make payment of the withheld taxes electronically.

Payments and returns can be filed electronically on the Ohio Business Gateway.

For any questions regarding withholding income tax you may contact the Ohio Department of Taxation at 888-405-4089.

Unit Nine Review

- Ohio has banned smoking in most public places since 2006
- Must report newly hired employees to the Ohio New Hire Reporting Center
- Dealers must pay the correct employee wages
- Employers must have an active workers compensation policy
- Most employers must pay unemployment compensation taxes
- Employers with four or more employees must display Fair Employment Practices Poster
- CAT Tax is paid by businesses with gross receipts of more than \$150,000 per year
- Every Ohio business with one or more employee must withhold employment tax

If you have questions or need more information than is covered in this manual please contact:

Dealer Licensing Section
P.O. Box 16521
Columbus, Ohio 43216-6521
614-752-7636

THE INFORMATION PROVIDED IN THIS OHIO MOTOR VEHICLE DEALER CONTINUING EDUCATION TRAINING MANUAL IS ONLY TO BE USED AS A REFERENCE GUIDE. LOCAL, STATE, AND FEDERAL GUIDELINES & STATUTES OVERRIDE ANY AND ALL MATERIAL IN THIS MANUAL. BE SURE TO CONSULT WITH AN ATTORNEY THAT SPECIALIZES IN OHIO MOTOR VEHICLE LAWS BEFORE OPENING YOUR DEALERSHIP.