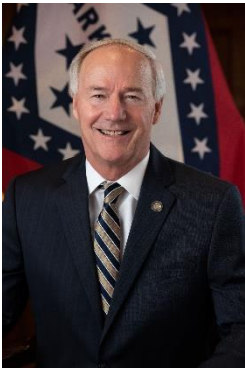




AADA NEWS AND UPDATE – December 4, 2020



GOVERNOR ANNOUNCES UPDATED DEPARTMENT OF HEALTH QUARANTINE GUIDELINES

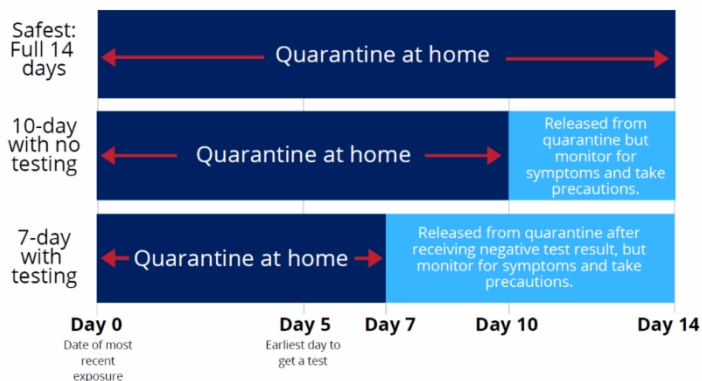
On Thursday, December 3, 2020, Governor Hutchinson announced the Department of Health was adopting guidelines from the U.S. Centers for Disease Control and Prevention allowing for shorter quarantine periods for people who have been near someone with COVID-19.

Instead of quarantining for fourteen (14) days, the guidelines allow people without symptoms to quarantine for just ten (10) days, or for seven (7) days if they have a negative test for the virus.

The Department of Health reiterates the safest quarantine period would last fourteen (14) days from the most recent exposure to the positive patient. However, under the new CDC guidelines, quarantine can end after ten (10) days without testing if no symptoms have occurred. Or, it can end after seven (7) days if no symptoms have occurred and a test returned a negative result. Note that the test sample must have been collected at least five (5) days after exposure.

If you are exposed again during quarantine, the period must start over again. If you develop symptoms or test positive for COVID-19 during the quarantine period, you must follow the instructions for isolating yourself.

Quarantine for people with no symptoms



**If symptoms develop, isolate and get tested.*

the modified CDC quarantine rules were designed to ease the burden on those affected and encourage compliance with the requirement and cooperation with contact tracers. He said data shows that more than seven days after coming in contact with an infected person, "there's a much lower percent chance, a very small percent chance, of becoming positive."

WHAT IS QUARANTINE?

As a reminder, the Department of Health advises that quarantine is an important way to stop the spread of COVID-19. It means staying home and away from others after you have been exposed to the virus that causes COVID-19.

If an individual is in close contact to a person with COVID-19, there needs to be a quarantine for a period from the time of the exposure. Close contact, generally, means you were within 6 feet of the person for at least 15 minutes total while they were infectious. COVID-19 patients are considered infectious two (2) days before their symptoms started, or two (2) days before their positive test if they do not develop symptoms. All close contacts should get tested for COVID-19 at least five (5) days after the last exposure to the positive person.

If you are a close contact, you need to quarantine even if you don't feel sick and even if you have received a negative test.

It is critical that each dealership remains diligent as we insure safe environments for employees and customers.

The Department of Health released the graphic on the left as a quick reference for this new CDC-based quarantine guidance. For more information on the complete updated Department of Health guidance, [CLICK HERE.](#)

Car dealers, like most businesses, have worked through staffing shortages resulting from employees going into quarantine. Governor Hutchinson said

FRANCHISE TAXES TO BE COLLECTED BY THE ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION

As a result of Act 819 of the 2019 session, the Arkansas Department of Finance and Administration (DFA) will accept and process franchise taxes beginning January 1, 2021. Franchise taxes were previously administered by the Arkansas Secretary of State's Office.

While the due date for filing an Arkansas Franchise Tax Report is May 1, 2021, they may be filed beginning January 1, 2021 through the Arkansas Taxpayer Access Point (ATAP) at www.atap.arkansas.gov. ATAP offers free electronic filing and payment options.

The Secretary of State's Office will continue to serve as the point of contact for registering and launching a business in the state as well as defining the organizational structure of the business.

Companies in Arkansas that must file franchise taxes include banks, legal reserve mutual insurance companies, insurance companies with authorized capital stock, limited liability companies, non-stock corporations, and stock corporations.

Companies that have registered franchise tax accounts with the Secretary of State's Office will be made aware of the transfer to DFA via mail. Additionally, a hard copy of the franchise tax return will be provided by mail by March 1, 2021.

Additional information regarding DFA is available at www.dfa.arkansas.gov/franchisetax and the Secretary of State's website may be accessed at www.sos.arkansas.gov.



NADA RELEASES GUIDE ON CONSUMER LEASING REQUIREMENTS

NADA just announced the release of a comprehensive Driven guide on the federal disclosure requirements and limitations applicable to consumer leasing transactions. [Federal Consumer Leasing Act Requirements](#), prepared for NADA by Hudson Cook consumer leasing expert Thomas Buiteweg, is a companion guide to NADA's 2018 [Guide to Federal Truth In Lending Requirements](#).

The new member publication, which may be downloaded using your NADA user name and password, explains in detail the federal disclosures that must be presented to lessees; limitations that apply to charges for early termination, excess wear and mileage, late payments and doc fees applicable to a lessee's exercise of a purchase option; the disclosure of prior credit or lease balances; many other technical requirements; and the consequences for noncompliance.

COULD COVID-19 IMPACT LIFO?

NADA Webinar Scheduled for December 8, 2020

Recently a [letter sent to the U.S. Treasury Department](#) by NADA explained that a series of government actions to contain the spread of the coronavirus caused a major foreign trade disruption to occur. The letter seeks LIFO relief for car and truck dealers who experience significant reductions in their new vehicle inventories at the end of the calendar year; specifically, it requests that the Department exercise its authority under the Internal Revenue Code to allow such dealers to elect to replace their new-vehicle inventories over a three-year period. Treasury may exercise this authority when a "major foreign trade disruption" has occurred that makes the replacement of inventory during the tax year difficult or impossible and other conditions are met.

While NADA will advocate in earnest for this extraordinary form of relief, dealers should not assume that Treasury will grant it. In order to help dealers identify potential approaches to managing the tax consequences of LIFO recapture, NADA has arranged for the dealer accounting firm Crowe to present a [webinar](#) on the topic on **Tuesday, December 8, at 12:00 noon Central Standard Time**; please click on the "webinar" link to register.

ADDITIONAL AND HELPFUL LINKS

For additional information related to maintaining your dealership as safe, we would recommend monitoring updates from the [CDC](#), [OSHA](#), and the [Arkansas Department of Health](#).

Please go to our website for links to information your dealership needs at [AADA coronavirus update](#).

As a reminder, NADA has produced a tremendous amount of resources to help dealers and their operations during the coronavirus pandemic. The site and the links will be updated continuously; bookmark the address, and click on the links as you need them for the latest versions of everything CARES Act, SBA, PPP, Tax Relief and more. Please check it out here: <https://www.nada.org/coronavirus/regulatory/>.

AADA will work to keep you updated on this situation, but a firm commitment to maintaining a safe and clean work environment for your employees and customers will help you navigate this health crisis.

If you have any questions about this bulletin please don't hesitate to call, 501-372-2596, or email Greg Kirkpatrick greg@arkautodealers.com.