



# News capsule



## Nebraska Autobody Association News & Information

October 27, 2009

The swine flu outbreak was declared a national emergency this weekend by President Barak Obama to speed up the distribution of the vaccine. Initial shipments of H1N1 vaccine have arrived in Nebraska and are being distributed to doctors, hospitals and other locations for availability to individuals identified by the Centers for Disease Control and Prevention as being at [high-risk for H1N1 flu complications](#). Local health departments will hold public clinics once enough vaccine is available. "The swine flu is estimated to have already killed more than 1,000 people in the United States. "As a nation, we have prepared at all levels of government, and as individuals and communities, taking unprecedented steps to counter the emerging pandemic," Obama wrote in last Saturday's declaration. "The pandemic keeps evolving, the rates of illness are rising rapidly in many areas and there's a potential "to overburden health care resources." The government now hopes to have about 50 million doses of swine flu vaccine out by mid-November and 150 million in December.

As you know, Sales tax need **not be charged** for repair of motor vehicles that can legally be operated on the highways as well as property covered under a warranty or maintenance agreement. If, however, you provide repair or maintenance services to tangible personal property in Nebraska, you are a retailer and the charges for your services, including all labor and repair parts, are subject to Nebraska sales tax. Repair or maintenance services include amounts charged for labor, parts, service calls, trip charges, and any other service fees related to the repair or maintenance services of the following: lawn mowers and snow blowers; boats, jet skis, and snowmobiles; bicycles, golf carts, and other sports equipment; race cars, dirt bikes, ATVs, and other vehicles not legally operable on highways. Persons performing repair or maintenance services are the consumers of all equipment and consumable supplies (such as lubricants, solvents, hand tools, office supplies) used in performing their services and must pay the applicable sales or use tax on purchases of such items. Repair or replacement parts that become part of the property being repaired or maintained may be purchased tax-free. If, however, such parts are sold to the customer, the retailer must collect sales tax on the selling price. Local sales tax must be collected at the rate in effect at the location where the property is delivered to the customer. Norbert maybe your last sentence should say a complete list of NE sales tax regulations for property other than motor vehicles is available at <http://www.revenue.state.ne.us/info/6-418-2003.pdf>

Production cutbacks by U.S. automakers are prolonging cycle times while shops wait for parts needed to repair collision damaged vehicles. A recent survey conducted by the Nebraska Autobody Association showed a noticeable gap in the availability of repair parts. When asked about parts availability, 63% of Nebraska respondents reported a decrease in the availability of new parts. Used parts availability fared better with only 38% of respondents reporting a decrease. The availability of aftermarket parts remained the most stable with 75% of respondents reporting no change. Parts availability issues could lead to increased repair costs, lengthier car rental times and longer waits to have vehicles repaired.

An article in the Imperial Republican and Fox News reported that the incidence of Nebraska deer-vehicle collisions jumped 54 percent over the past five years. The largest incidence of deer-car collisions occurred in New Jersey and Nebraska with neighboring Kansas reporting a 41-percent increase. State Farm reported that the average cost of repairing a car-deer collision damaged vehicle has doubled over the last ten years and now stands at an average of \$3,050 per incident.

Nebraska insurance adjusters and producers have been told to be on the lookout for callers who, under pretense of being insurance regulators, try to obtain confidential information such as social security numbers and credit card data, sometimes under threat of having their license suspended. The advisory should also serve as a warning to body shops that are frequently targeted with repair scams that require some sort of advanced payment, which is usually wired via Western Union. Today's swindlers continue to adapt and alter their routine. Shops are advised to be on the lookout for new scams and to exercise caution for any transactions that require shops to pay advanced charges.

### Fight For What's Right Join the Nebraska AutoBody Association

Membership application available at

<http://www.nebraskautobody.com/filedownloads/memberap1&2.pdf>

*Information in this news capsule is obtained and condensed from sources believed to be accurate and reliable but readers should consult with an appropriate business professional before acting on information contained herein. Information contained herein does not necessarily reflect the opinions of NABA, its leadership or management. Summary prepared by Norbert Zaenglein.*