

# Dealers' Choice

SPRING 2022

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## TADA Legend Tony Gullo, Sr.

TEXAS PARTY  
AT NADA CONVENTION

OFFICIAL PUBLICATION OF THE TEXAS  
AUTOMOBILE DEALERS ASSOCIATION

2022 TADA ANNUAL  
CONFERENCE





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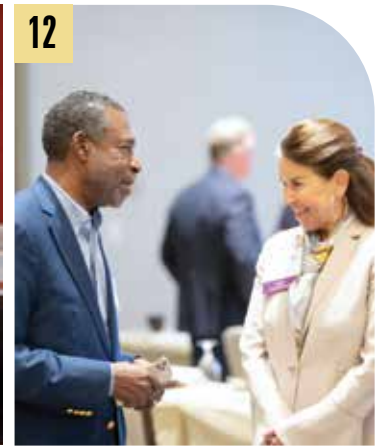
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# Dealers' Choice

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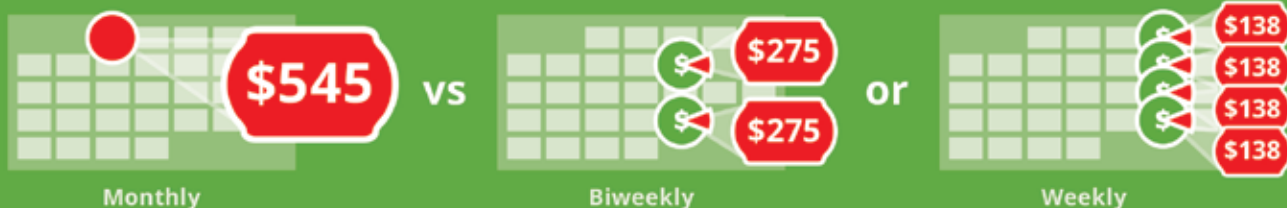
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## A Message From TADA President Darren Whitehurst

**On both the Democratic and Republican sides, there are statewide races and local races that will be important to our issues, so I hope you will take the time to get to know the candidates and that you take the time to vote in the runoff election on May 24. I would also ask that you encourage your employees to get to the polls as well.**

**T**he first four months of 2022 have been great for me at TADA. Not since I started more than two years ago have I had the opportunity to visit with so many dealers from across the state. I am regularly visiting dealerships and local communities, and I attended my second NADA Conference in Las Vegas, where I was able to connect with many Texas dealers at our Texas Party and throughout the meetings at the conference.

TADA just hosted our Annual Conference in Austin, where we honored Tony Gullo as our latest Texas Legend inductee. There was a lot of great fellowship at both events, and despite the challenges of the continuing chip shortage and the lack of inventory, it was great to hear stories about how dealers have found ways to be successful and take care of their customers.

At the annual conference, the Legislative Committee began its work preparing for the 88th Texas Legislature, which begins Jan. 10, 2023. If there are issues you believe

the committee needs to discuss, please do not hesitate to reach out and share your thoughts, as we will spend the rest of this year preparing our legislative agenda. There will be many legislative and regulatory issues facing dealers, and the work the Legislative Committee does throughout the year will guide our lobbying and advocacy efforts.

On the political front, the Texas primary elections were held on March 1. Every vote truly counts, and this cycle demonstrated that. The total turnout for both the Democratic and Republican primaries was 18%. The runoffs will be even lower. There were 50 races in the March 1 primary where no candidate exceeded 50% of the vote, and so these races are headed to a runoff between the candidates who came in first and second. On both the Democratic and Republican sides, there are statewide races and local races that will be important to our issues, so I hope you will take the time to get to know the candidates and that you take the time to vote in

the runoff election on May 24. I would also ask that you encourage your employees to get to the polls as well.

If your State Representative and/or Senator won their primary and doesn't face a challenger in the general election in November, I encourage you to get to know them now before the next session. If they are already a friend, please re-connect ahead of the busy fall season and certainly before the next session. It is imperative each of you have a personal relationship with your elected officials – local, state, and federal. Please stay in touch with our team as you make these connections. If there is feedback, that will be helpful to our efforts to continue to protect consumer choice and free-market competition by holding off any threat to the three-tier franchised dealer system.

We know each of you is busy serving your customers and working in your community. Thank you for all you do, and please continue to share your good stories with us at TADA. ▸

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# Texas Party At NADA Convention

The Texas Party was held on Friday, March 11 during the NADA Convention at Wynn Las Vegas.







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# 2022 TADA Annual Conference

2022 TADA Annual Conference was held at Four Season Hotel in Austin on April 3-4. Thank you to everyone that participated and to our sponsors. We hope to see you at our next event!

















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# Carlos Liriano, Lost Pines Toyota 2022 Walter B. Wainwright Key Director Award



**E**ach year the Walter B. Wainwright Key Director Award is presented to a member of the TADA Board of Directors who has contributed the most to the success of the organization. (The award is named for the revered former leader of the Houston Automobile Dealers Association.) This is the only TADA award kept a secret until the moment it is presented.

This year's winner is Carlos Liriano, Dealer Principal of Lost Pines Toyota in Bastrop, Texas. Carlos is a first-generation dealer who learned the business from the ground up — truly a self-made man. As he learned at an early age, “We started from nothing, but I was taught that with hard work and determination, you can succeed in life.”

His automotive career began directly out of college. He was Rookie Automotive Salesperson of the Year and then moved to become Sales and Finance Manager at the dealership.

Over the course of twenty-five years, he gained valuable experience while climbing the ranks of various automotive organizations. He served as General Manager for numerous stores and developed a proven track record of success as a hands-on, full-time dealer operator. The dealerships he led won numerous awards such as Charter Dealer for Signature Certification, Market Share Leader in both cars and truck sales several years running, multiple President's Awards, Pinnacle Awards, and TMS Corporate Sales & Service Excellence recognition.

**“We started from nothing, but I was taught that with hard work and determination, you can succeed in life.”**

Carlos fulfilled a long-term goal of owning his own dealership when he became Dealer Principal of a new Toyota franchise in March 2012. Due to his concerns for the environment, Lost Pines Toyota became Central Texas's first and only LEED Gold Certified Auto Dealership. His eco-friendly dealership has eliminated paper consumption by 80%; data is scanned, electronically stored and archived; and the dealership prioritizes using digital tablets throughout the sales department for all credit applications, digital contracting, electronic menus and worksheets, and uses green products whenever possible.

Carlos and his parents emigrated from communist Cuba to New Orleans, Louisiana, when he was nine years old. He became the first in his family to go to college, receiving a bachelor's degree in Management and Finance from Southeastern Louisiana University. He is a past Time Dealer of the Year nominee, and his dealership is renowned for bringing a little bit of Louisiana to Texas. ▶





**Carlos fulfilled a long-term goal of owning his own dealership when he became Dealer Principal of a new Toyota franchise in March 2012. Due to his concerns for the environment, Lost Pines Toyota became Central Texas's first and only LEED Gold Certified Auto Dealership.**



# TADA Legend Tony Gullo, Sr.



**T**ony Gullo, Sr., has been the consummate humanitarian and philanthropist for over half a century. His good work on behalf of thousands of Texans is without peer. Besides providing essential transportation to legions of customers, Tony and his wife, Dolly, have served countless communities throughout Texas. Tony and Dolly's four children and all of their grandchildren are actively involved in the family business, ensuring that the Tony Gullo, Sr. legacy will continue for generations to come.

From serving as Santa for deserving families in his annual Christmas for Kids event to providing scholarships for Montgomery County high school graduates, contributing to dozens of local charities and school initiatives, founding the Gullo Conroe Kids Fest and funding initiatives to support and recognize Texas veterans, Tony Gullo has exhibited the heart of a champion and is a true Texas hero. His boundless energy and enthusiasm as one of the nation's premier automobile dealers and the family organization that Tony Gullo has created to benefit Texas and Texans have earned him the ultimate recognition as a TADA Legend.

Surrounded by family and friends, Tony was honored during the Legends Dinner at the Four Seasons in Austin, Texas, during the 2022 TADA Conference. ▀





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# Community Service



We officially reached our goal to reward \$50,000 in scholarships this year thanks to all the support at our Annual Sporting Clay Shoot!

We appreciate everyone who sponsored the event to benefit VADA Member dealership employees and their families.  
— Lexi Buquet, Executive Director, Valley Automobile Dealers Association



## Women in Auto Award



Congratulations to Claire Cavender McNab for being featured in the San Antonio Express, "Women in Auto" in April. Claire is Partnership and Outreach Coordinator for the Cavender Auto Family and is an active member of the TADA Texas Dealer Academy.



## First Texas Honda

Austin car dealership First Texas Honda, owned by the Continental Automotive Group, has raised a commissioned, custom 40' x 60' Ukrainian flag and is flying it above the dealership to raise awareness of the war in Ukraine and the dealership's efforts through the Ukraine Relief Network. Local Austinite Christian Flores helped create the organization after seeing thousands of Ukrainian refugees fleeing their homes due to the war. Flores was moved when he learned groups of refugees were running out of food and clothing, with some even being stuck in sub-zero temperatures. First Texas Honda is serving as a collection location for the Ukraine Relief Network's efforts in providing clothing and monetary resources for the Ukrainian people.

The Hardeman Family Foundation is the philanthropic arm of Continental Automotive Group that supports efforts to assist underserved residents in their community. In light of the recent war in Ukraine, the foundation made a donation of \$100,000 toward the relief effort for displaced families and children of The Ukraine by way of the Ascend Mission Fund/Ukraine Relief Network. Anyone interested in contributing can go to [www.ascendmission.fund/ukraine](http://www.ascendmission.fund/ukraine) to join in this important effort.



## Bruckner's Truck and Equipment

Bruckner's Truck and Equipment was presented the 2021 Mack SW Region dealer of the year award. The award was presented to Chris and Brian Bruckner along with their management team by Kent Thompson, Regional VP, and Jennifer Walker, District Sales Manager. ▶





A FIELD GUIDE  
TO THE  
**TAXES**  
OF  
TEXAS  
January 2022

GLENN HEGAR  TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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[https://comptroller.texas.gov/  
transparency/revenue/docs/96-1774.pdf](https://comptroller.texas.gov/transparency/revenue/docs/96-1774.pdf)



# A FIELD GUIDE TO THE TAXES OF TEXAS

The data represented in this report are [available in accessible data form \(Excel\)](#).

**E**very year, the state of Texas collects billions of dollars in state taxes and fees, federal receipts and other sources of revenue. These funds are used to pay for all of the responsibilities of the state government, including the education of nearly **5.4 million** public school students and the provision of health insurance for more than **5 million** low-income Texans.

This guide provides an overview of the major Texas state taxes. Read on to:

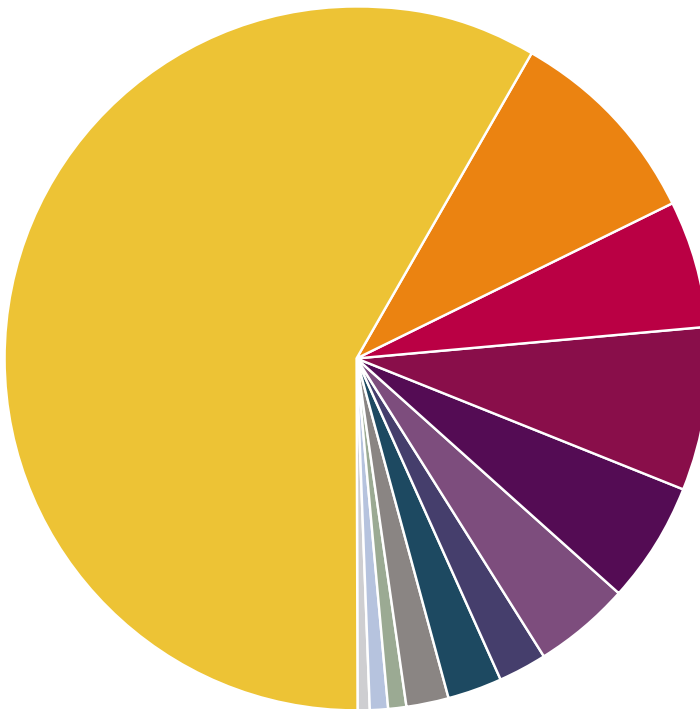
- learn how major taxes have contributed to state revenue during the past 10 years;
- see on one page revenue collections, estimates and allocations; and
- connect to other in-depth resources about state taxes and finances.

## State Tax Revenue By Source

FISCAL 2021

All Funds, Excluding Trusts

**TOTAL = \$61,473,483,316**



**T**exas' total tax revenue rose by 7.1 percent in fiscal 2021, to \$61.5 billion. Most taxes saw growth over the previous year as the economy began to recover from the COVID-19 pandemic.

| % OF TAXES | SALES AND USE TAXES                  |
|------------|--------------------------------------|
| 58.6%      | \$36,019,605,414                     |
|            | MOTOR VEHICLE SALES AND RENTAL TAXES |
| 9.3%       | \$5,730,933,538                      |
|            | MOTOR FUEL TAXES                     |
| 5.9%       | \$3,596,891,570                      |
|            | FRANCHISE TAX                        |
| 7.4%       | \$4,529,829,616                      |
|            | OIL PRODUCTION TAX                   |
| 5.6%       | \$3,449,131,602                      |
|            | INSURANCE TAXES                      |
| 4.4%       | \$2,699,643,241                      |
|            | CIGARETTE AND TOBACCO TAXES          |
| 2.3%       | \$1,397,304,315                      |
|            | NATURAL GAS PRODUCTION TAX           |
| 2.6%       | \$1,568,541,762                      |
|            | ALCOHOLIC BEVERAGES TAXES            |
| 2.0%       | \$1,257,444,097                      |
|            | HOTEL OCCUPANCY TAX                  |
| 0.8%       | \$487,815,057                        |
|            | UTILITY TAXES                        |
| 0.9%       | \$538,814,591                        |
|            | OTHER TAXES                          |
| 0.3%       | \$197,528,512                        |

Source: *Annual Cash Report 2021*, Texas Comptroller of Public Accounts

Note: Percentages may not sum to 100.0 due to rounding.

## Where Does Texas' Tax Revenue Go?

For accounting and budgeting purposes, state revenue is deposited or transferred into various funds, with most going into the General Revenue Fund (GR) for appropriation by the Legislature. Some tax revenue, however, is deposited directly or transferred into special funds for specific purposes. Three of the state's most prominent special revenue funds are the State Highway Fund (SHF), the Property Tax Relief Fund (PTRF) and the Economic Stabilization Fund (ESF).

The SHF is used for the construction, maintenance and policing of public roads. Historically, the primary revenues for this fund have been federal receipts, 75 percent of motor fuel tax net collections, most motor vehicle registration fees and, since fiscal 2015, one-half of 75 percent of oil production and natural gas production tax revenues exceeding fiscal 1987 collections in any fiscal year. Beginning in fiscal 2018, based on a constitutional amendment approved by Texas voters in 2015, the first \$2.5 billion of state sales tax collections in excess of \$28 billion a fiscal year are transferred to the SHF. Beginning in fiscal 2020, 35 percent of motor vehicle sales and rental tax collections in excess of \$5 billion are transferred into the SHF, a threshold that was first met in fiscal 2021. In the

**2022-23 biennium**, the Comptroller's office estimates the SHF will receive **\$28.4 billion** from all sources.

The PTRF is used along with GR and other funds to finance the state's K-12 public education system. The major revenue sources for this fund include the amount of franchise tax collections generated by its restructuring in fiscal 2008, and revenue generated from the \$1.00 increase in the cigarette tax rate implemented in fiscal 2007. A \$1 billion transfer to the PTRF from GR was made at the end of fiscal 2021, and over the **2022-23 biennium**, the Comptroller's office estimates the PTRF will receive **\$4.4 billion** from all revenue sources for a total of **\$5.4 billion**.

The ESF, also known as the Rainy Day Fund, receives one-half of 75 percent of oil production and natural gas production tax revenues in any fiscal year that exceeds fiscal 1987 collections, and one-half of any unencumbered GR surplus remaining at the end of each biennium. By the end of **fiscal 2023**, the total ending balance of the ESF is projected to reach **\$12.6 billion**. This balance would represent **62.3 percent** of the cap, as set by the Constitution.

### State Highway Fund (SHF)

|                      | FISCAL 2020      | FISCAL 2021      | FISCAL 2022      | FISCAL 2023      |
|----------------------|------------------|------------------|------------------|------------------|
|                      | ACTUAL           | ACTUAL           | ESTIMATED        | ESTIMATED        |
| Total State Revenue  | \$8,798,742,701  | \$8,835,169,725  | \$8,912,099,000  | \$10,007,311,000 |
| Total Federal Income | \$5,182,182,072  | \$5,358,072,653  | \$5,413,924,000  | \$4,054,849,000  |
| Total Revenue        | \$13,980,924,773 | \$14,193,242,378 | \$14,326,023,000 | \$14,062,160,000 |

### Property Tax Relief Fund (PTRF)

|                                 | FISCAL 2020     | FISCAL 2021     | FISCAL 2022     | FISCAL 2023     |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                 | ACTUAL          | ACTUAL          | ESTIMATED       | ESTIMATED       |
| Total State Revenue             | \$2,140,483,244 | \$2,196,639,520 | \$2,140,787,000 | \$2,282,930,000 |
| Transfers                       | -               | \$1,000,000,000 | -               | -               |
| Total Revenue and Other Sources | \$2,140,483,244 | \$3,196,639,520 | \$2,140,787,000 | \$2,282,930,000 |

### Economic Stabilization Fund (ESF)

|                         | FISCAL 2020      | FISCAL 2021      | FISCAL 2022      | FISCAL 2023      |
|-------------------------|------------------|------------------|------------------|------------------|
|                         | ACTUAL           | ACTUAL           | ESTIMATED        | ESTIMATED        |
| Ending Cash Balance     | \$5,895,953,909  | \$5,000,594,507  | \$2,549,840,965  | \$3,243,327,794  |
| Ending Invested Balance | \$4,100,561,030  | \$5,273,897,763  | \$7,507,327,216  | \$9,372,163,601  |
| Total Ending Balance    | \$9,996,514,939  | \$10,274,492,270 | \$10,057,168,181 | \$12,615,491,396 |
| ESF Cap                 | \$18,797,980,185 | \$18,797,980,185 | \$20,260,891,219 | \$20,260,891,219 |



## MOTOR VEHICLE SALES AND RENTAL TAXES

ENACTED 1941

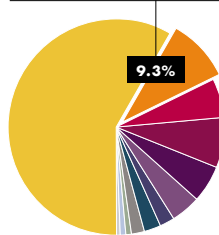
The motor vehicle sales and use tax, the largest tax in this category, is imposed on the retail sales price, less trade-in allowance, of motor vehicles sold in Texas. The motor vehicle rental tax is levied as a percentage of gross receipts derived from the rental of a vehicle, at a rate that varies depending on the length of the rental.

In November 2015, voters approved a constitutional amendment to deposit 35 percent of the net annual revenue from these taxes above \$5 billion to the State Highway Fund, starting in fiscal 2020. The \$5 billion threshold was first reached in fiscal 2021 with a transfer of \$237 million, and the transfer is projected to total \$635 million in the 2022-23 biennium.

### Percentage of Total Tax Collection

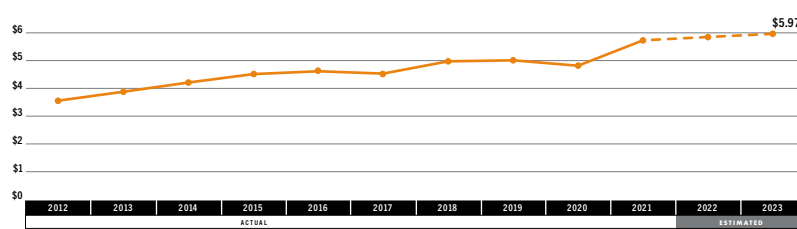
FISCAL 2021  
All Funds, Excluding Trusts  
**\$5.73 BILLION**

MOTOR VEHICLE SALES & RENTAL TAXES



### COLLECTIONS

All Funds, Excluding Trusts (billions)



### REVENUE BY SOURCE

| TAX  | FUND   | FISCAL 2021     |
|--|--|-----------------|
| Motor Vehicle Sales and Use Tax                                  | General Revenue Fund <sup>1</sup>                  | \$5,163,385,145 |
|  | Property Tax Relief Fund <sup>2</sup>              | \$29,605,842    |
|  | GR Account - Emissions Reduction Plan <sup>3</sup> | \$18,505,880    |
| Motor Vehicle Rental Tax   | General Revenue Fund                               | \$298,847,607   |
| Motor Vehicle Sales and Use Tax - Seller-Financed Motor Vehicles | General Revenue Fund                               | \$185,407,286   |
|  | GR Account - Emissions Reduction Plan <sup>3</sup> | \$27,335        |
| Manufactured Housing Sales and Use Tax                           | General Revenue Fund                               | \$35,154,174    |
| Motor Vehicle Sales and Use Tax - Motor Carriers <sup>4</sup>    | General Revenue Fund                               | \$269           |
| TOTAL <sup>5</sup>   |  | \$5,730,933,538 |

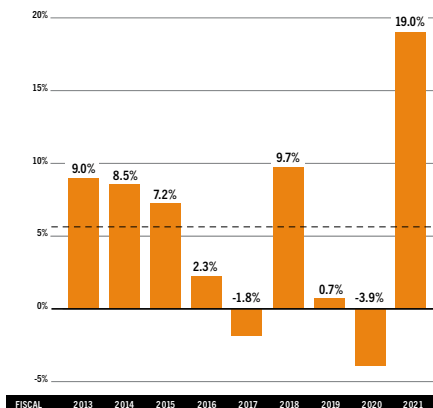
#### FOOTNOTES

- Since fiscal 2015, 95 percent of revenue is deposited into the General Revenue Fund; the remaining 5 percent is retained by counties.
- Revenue derived from the tax based on a used vehicle's presumptive value is deposited into the Property Tax Relief Fund.
- 100 percent of applicable surcharge is required to be transferred into GR Account - Emissions Reduction Plan. Beginning Sept. 1, 2021, all revenue that was deposited into the TERP account is allocated to a trust fund outside the State Treasury.
- Repealed by S.B. 3, 74th Leg., R.S. effective Sept. 1, 1997.
- May not sum due to rounding.
- The 6.25 percent sales and use tax is based on the vehicle sales price less any trade-in. Additional taxes or surcharges may apply to the sale of certain diesel trucks. Rentals are taxed at 10 percent of gross receipts for rentals of 30 days or less and at 6.25 percent for rentals of 31 to 180 days. Manufactured housing sales are taxed at 5 percent of 65 percent of the sales price on the initial sale or use of a new manufactured home.
- Estimated initial distribution of total motor vehicle sales tax revenue in fiscal 2023, as projected in the December 2020 Tax Exemptions and Tax Incidence Report.

### HISTORICAL VOLATILITY

Year-over-year Change, All Funds, Excluding Trusts

----- Compound Annual Growth Rate (Fiscal 2012-2021): 5.4%



### HIGHLIGHTS

#### REVENUE

FISCAL 2021

**\$5.73B**

#### STATE RATE

**6.25%**<sup>6</sup>

LOCAL RATE

**NONE**

FEDERAL RATE

**NONE**

#### WHO PAYS?

BUSINESS

**40.5%**

CONSUMER

**59.5%**

## MOTOR FUEL TAXES

ENACTED 1923

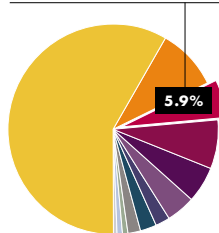
Motor fuel taxes are the state's consumption taxes on gasoline, diesel fuel and liquefied and compressed natural gas. In general, these taxes are charged on each gallon of fuel sold in Texas used to propel vehicles on Texas' public roads.

The rates for the gasoline and diesel fuel taxes last changed in 1991, when they were both increased from 15 cents to 20 cents per gallon.

### Percentage of Total Tax Collection

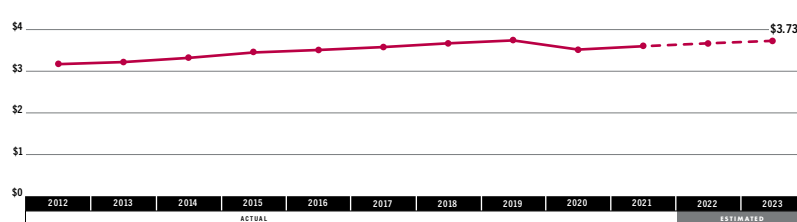
FISCAL 2021  
All Funds, Excluding Trusts  
**\$3.6 BILLION**

MOTOR FUEL TAXES



### COLLECTIONS

All Funds, Excluding Trusts (billions)



### REVENUE BY SOURCE

| TAX   | FUND                 | FISCAL 2021     |
|---|----------------------|-----------------|
| Gasoline Tax <sup>1</sup>                             | General Revenue Fund | \$2,626,158,320 |
| Diesel Fuel Tax <sup>2</sup>                          | General Revenue Fund | \$964,923,804   |
| Liquefied and Compressed Natural Gas Tax <sup>2</sup> | General Revenue Fund | \$5,809,446     |
| TOTAL <sup>3</sup>                                    |                      | \$3,596,891,570 |

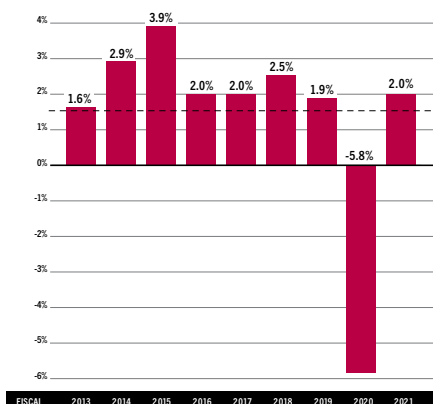
#### FOOTNOTES

- After deductions for refunds and other purposes, 25 percent is allocated to the Available School Fund; 50 percent is allocated to the State Highway Fund; and the remaining 25 percent also is deposited to the State Highway Fund, except that the first \$7.3 million is deposited to the County and Road District Highway Fund.
- After deductions for refunds, 25 percent is allocated to the Available School Fund and 75 percent is allocated to the State Highway Fund.
- May not sum due to rounding.
- This rate is for gasoline and diesel fuel (eligible transit companies qualify for a refund of 1 cent per gallon on gasoline and 1/2 cent per gallon on diesel fuel). Liquefied natural gas and compressed natural gas are taxed at 15 cents per gallon.
- This rate is for gasoline. The federal tax rate for diesel fuel is 24.4 cents per gallon.
- Estimated initial distribution of total gasoline tax revenue in fiscal 2023, as projected in the December 2020 Tax Exemptions and Tax Incidence Report.

### HISTORICAL VOLATILITY

Year-over-year Change, All Funds, Excluding Trusts

----- Compound Annual Growth Rate (Fiscal 2012-2021): 1.4%



### HIGHLIGHTS

#### REVENUE

FISCAL 2021

**\$3.6B**

#### STATE RATE

**\$0.20**<sup>4</sup> PER GALLON

LOCAL RATE

**NONE**

FEDERAL RATE

**\$0.184**<sup>5</sup> PER GALLON

#### WHO PAYS?

BUSINESS

**21.9%**

CONSUMER

**78.1%**

# FRANCHISE TAX

## ENACTED 1907

The franchise or "margins" tax is the current version of one of the state's oldest taxes, levied for the privilege of doing business in Texas. The tax due is based on an entity's apportioned taxable margin.<sup>1</sup>

In 2006, the Legislature made significant changes to the tax, including transitioning to the taxable margin as the sole base component and expanding the tax to limited partnerships, business trusts and other legal entities.

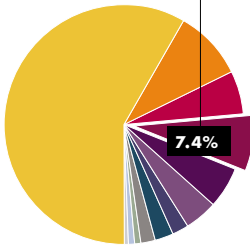
In 2015, the Legislature voted to reduce franchise tax rates by 25 percent.

## Percentage of Total Tax Collection

FISCAL 2021

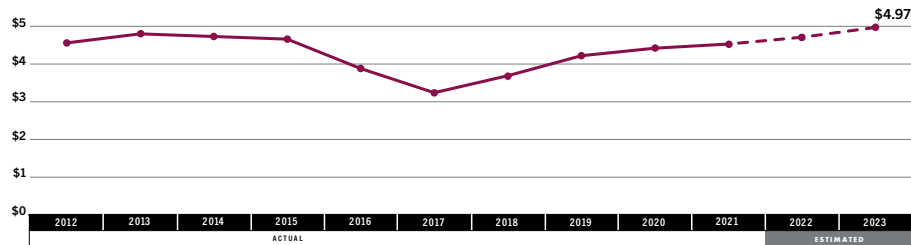
All Funds, Excluding Trusts  
**\$4.53 BILLION**

FRANCHISE TAX



## COLLECTIONS

All Funds, Excluding Trusts (billions)



## REVENUE BY SOURCE

| TAX                   | FUND                                  | FISCAL 2021     |
|-----------------------|---------------------------------------|-----------------|
| Franchise/Margins Tax | General Revenue Fund <sup>2</sup>     | \$3,173,209,102 |
|                       | Property Tax Relief Fund <sup>3</sup> | \$1,358,948,885 |
| Franchise Tax         | General Revenue Fund <sup>4</sup>     | \$(2,328,371)   |
| TOTAL <sup>5</sup>    |                                       | \$4,529,829,616 |

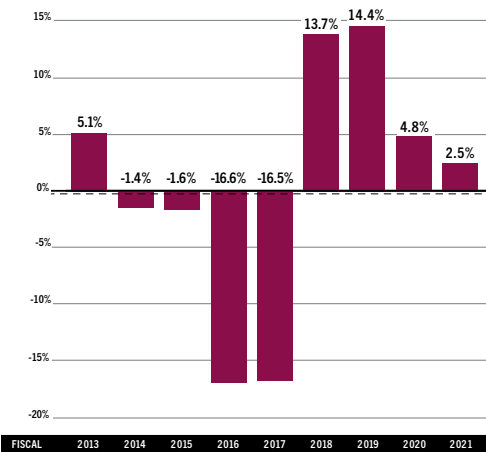
### FOOTNOTES

- 1 Taxable margin is defined as total revenue less the greater of (1) the cost of goods sold, (2) total compensation, (3) 30 percent of total revenue or (4) \$1 million. An apportionment factor based on the portion of receipts that occurred in Texas then is applied.
- 2 The estimated amount of franchise tax revenues that would have been generated had the 2006 reforms not occurred.
- 3 All revenue exceeding the estimated amount that would have been brought in under the previous version of the franchise tax.
- 4 Reflects net payments and refunds related to franchise tax liability from reports due before the 2008 tax year.
- 5 May not sum due to rounding.
- 6 A tax rate of 0.375 percent applies to taxpayers in the retail or wholesale trade; other taxpayers pay a rate of 0.75 percent. Firms with less than \$20 million in total revenues may elect to file an EZ return. The tax rate for EZ filers is 0.331 percent.
- 7 There is no federal franchise tax, but a corporate income tax is levied at 21 percent of net income.
- 8 Estimated initial distribution of total franchise tax revenue in fiscal 2023, as projected in the December 2020 Tax Exemptions and Tax Incidence Report.

## HISTORICAL VOLATILITY

Year-over-year Change, All Funds, Excluding Trusts

----- Compound Annual Growth Rate (Fiscal 2012-2021): -0.1%



## HIGHLIGHTS

REVENUE  
FISCAL 2021

**\$4.53B**

STATE RATE

**0.75% /  
0.375%**

LOCAL RATE

NONE

FEDERAL RATE

NONE\*

WHO PAYS?<sup>8</sup>

BUSINESS

**100%**

CONSUMER

**0%**

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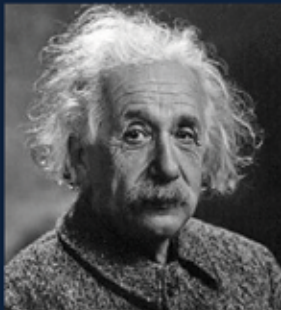
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  - c. *Are your results improving as a result of the merger?*
  - d. *Do you now feel more like a Small Fish in a bigger pond?*
- ***What is the Mission Statement of the controlling entity long term?***
  - a. *Are they building a company to LAST or a company to sell again?*
  - b. *Are you going to have to go through provider ownership transitions every 4-6 years?*
  - c. *Are they cutting long term employees and expenses from the acquired providers to drive up their EBITDA for resale valuation?*



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# Annette Sykora Wins National Recognition for Community Service and Industry Accomplishments at NADA Show



**A**nnette Sykora, dealer at Smith Auto Family Ford Lincoln in Levelland, Texas, was honored as a nominee for the 2022 TIME Dealer of the Year award at the 105th annual National Automobile Dealers Association (NADA) Show held in Las Vegas on March 11, 2022. Annette was one of a select group of 47 dealer nominees from across the country who were honored.

The TIME Dealer of the Year award is one of the automobile industry's most prestigious and highly coveted honors. Recipients are among the nation's most successful auto dealers who also demonstrate a long-standing commitment to community service. Sykora, 58, was chosen to represent the Texas Automobile Dealers Association in the national competition — one of only 47 auto dealers nominated for the

53rd annual award from more than 16,000 nationwide.

"I grew up with a genuine passion and respect for the car business and have never stopped being a student of the industry, always learning and adapting to an ever-changing business climate," nominee Sykora said. "Anything that I've been able to achieve has been thanks to the support of my family and our amazing team of employees."

Sykora followed in the footsteps of her father, Steve Smith, and grandfather, Bill H. Smith, who founded the original dealership, Slaton Motor Company, in Slaton, Texas, in 1952. "Watching them work together in the store while I was growing up made it feel like a career in the automotive industry was

exactly what I was supposed to do," she said.

After high school, Sykora began her journey in F&I (Finance & Insurance) at the family dealership, and she graduated from the NADA Academy in 1989. By 1993, she was ready to chart her own path, and she purchased the business from her father.

As the Slaton location continued to grow and prosper, Sykora and her husband, Patrick, expanded their operation and opened the Ford Lincoln store in Levelland in 1999. They also added a Ford dealership in Plainview, Texas, to their portfolio and a Quick Lane Tire & Auto Center in Levelland.

And the business certainly lives up to its name, as the Smith Auto Family currently employs the couple's son Holden, daughter Nicole Campbell and son-in-law Tell Campbell.

"I was blessed to be raised in a car family, but also a family that held tight to tenets of faith, service and treating people fairly," Sykora said. "From the beginning, I've loved working with customers one-on-one and learning the impact dealers can have on their community simply by providing superior products and services."

Sykora became a role model in a male-dominated industry, and her expertise and leadership are greatly valued by automakers and the NADA. She has served on numerous boards for Ford, representing Greater Texas, and has held executive positions at NADA, including chair



of the group in 2008. She currently chairs the NADA Foundation.

"I was honored to serve as chair during the financial crisis," she said, working tirelessly to navigate the new economic landscape and advocate for the domestic auto industry and dealers before Congress. In her present role at the NADA Foundation, Sykora is charged with addressing the need for skilled workers in the automotive industry and promoting the foundation's new Workforce Initiative, which is designed to spark interest in service technician careers.

And she is trying to accomplish those same goals on a local level through her work with Lubbock ISD's (Independent School District) Byron Martin Advanced Technology Center; she has been on the advisory committee since 2005.

"I have worked side-by-side with administrators and educators to develop and refine automotive curriculum to meet educational and industry standards," she said. "We have also worked to provide affordable and seamless transitions for students on their journey to higher education."

Sykora also supports the automotive program at South Plains College in Levelland, where she is a foundation board member. "As a company, we have donated several vehicles to the college's automotive program, significantly improving the age of their internal fleet of vehicles for students and the applicability of their hands-on instruction," she said.

In addition, Sykora is proud to give back to the communities where her dealerships are located. She currently is a contributor to the Weekend Snack Sack program in Slaton, Bill's Backpacks in Levelland, and Snack Pak 4 Kids in Plainview, all of which fight weekend hunger by supplying



food for children when they are not in school.

"The most rewarding impact for me is the support we've been able to provide for the next generation," she said. "When you take care of young people, they grow into adults who are capable of great things."

Dealers are nominated by the executives of state and metro dealer associations around the country. The award is sponsored by TIME in association with Ally Financial and in cooperation with NADA. A panel of faculty members from the Tauber Institute for Global Operations at the University of Michigan selected one finalist from each of the four NADA regions and one national Dealer of the Year. Three finalists received \$5,000 for their favorite charities, and the winner, Bob Giles of Giles Automotive of Lafayette, Louisiana, received \$10,000 to give to charity.

In its eleventh year as exclusive sponsor, Ally also celebrated the dealer nominees and their community efforts by contributing \$1,000 to each

nominee's 501(c)(3) charity of choice. Nominees have been recognized on AllyDealerHeroes.com, highlighting the philanthropic contributions and achievements of TIME Dealer of the Year winner and nominees.

"It's an incredible honor to recognize these dealers for their business accomplishments and their unwavering commitment to 'Do It Right' by helping others in their communities," said Doug Timmerman, president of Dealer Financial Services at Ally. "They are extraordinary auto leaders who care and go the extra mile to give of themselves to make their communities stronger. Ally is proud to support and celebrate their achievements."

Sykora was nominated for the TIME Dealer of the Year award by Darren Whitehurst, president of the Texas Automobile Dealers Association, TADA and Morris Wilkes with the New Car Dealers of West Texas. She and her husband, Patrick, have five children. ▀

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David Rowley  
david.rowley@bofa.com  
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