

# Tax Season Delay Affects Buy-Here, Pay-Here Dealers

Last year buy-here, pay-here dealers were affected when the IRS delayed income tax refunds – and it's happening again. In 2012, \$40 billion in refunds were paid out in January, and in 2013 zero refunds were paid out in January. 2014 is another year of zero refunds being paid out in January.

This time the IRS is blaming it on the 16-day government shutdown in October. The IRS started accepting federal income tax returns for individuals electronically on January 31 – which is about 10 days later than normal.

Buy-here, pay-here dealers will expect to start seeing down payment money in the form of tax returns by mid to late February.

Not only do buy-here, pay-here dealers utilize tax refunds for down payments – but more and more buy-here, pay-here dealers are offering incentives to customers to use their refunds to catch up on payments and even pay their accounts in advance. Tax season is to buy-here, pay-here dealers as Christmas is to the retail industry.

This is often the only time of the year where buy-here, pay-here customers will have disposable cash for a down payment on a vehicle.

With this delay, many dealers are

experiencing unexpected cash flow issues. Floor plan curtailments and other fixed expenses are hitting dealers' bank accounts – while the expected tax time sales are not there yet.

In addition, collections are always a little difficult around the holidays, further compounding a dealer's cash flow problems.

Small Dealers Assistance (SDA) can help dealers experiencing this cash flow crunch. Dealers can utilize their accounts receivable to raise the capital from SDA to make the most of this years' tax season.

SDA purchases accounts and allows the dealers to continue collecting and building their loyal customer base.

Many dealers across the country have utilized SDA's Income Stream Program to help make the most of their tax season.

For over 23 years SDA has been a trusted capital source for hundreds of dealers across the country. These dealers rely on SDA not only during tax season but year round for their capital needs.

Join the SDA family of dealers, call 800-467-5172 or visit [www.sdainc.net](http://www.sdainc.net).

