

PACKARD MOTOR CAR COMPANY

DETROIT, MICHIGAN

June 17, 1932

To PACKARD DISTRIBUTERS AND DEALERS

Subject PACKARD PARTS PRICES

TO BE NOTED AND INITIALED BY	

Gentlemen:

Effective June 21, 1932 the net prices on Packard parts to our distributors will be increased 2%. Any Federal Excise Tax required to be paid on the sale of parts is included in these readjusted net prices and will be paid by us. All parts billings to our distributors made on and after the above date will be made at the readjusted net prices.

We recommend that distributors and dealers immediately increase all suggested zone list prices by the percentage as shown for each respective zone, and that all billings to customers be made at those increased suggested list prices:

Zone 1.	Suggested increase - 1.5%
Zone 2.	Suggested increase - 1.25%
Zone 3.	Suggested increase - 1.0%

We recommend that this increase be made in your parts price list or records in order that your customer billings will be made at the increased list prices and not shown on your invoice as a separate item of tax.

We suggest that distributor billings to dealers be made at the increased suggested zone list prices by deducting the regular recommended discount of 33-1/3%.

This readjustment of list and net prices affects the distributors and dealers parts inventories to the extent of these increases, therefore an inventory adjustment should be made on the parts inventory balance as carried on your books.

Pending receipt of detailed information for the proper billing of repair orders to include these increased suggested list prices, we recommend that you readjust your repair prices, using the increased suggested parts list prices for all parts used in repair operations. Detailed information and instructions are being prepared and will be forwarded just as soon as complete.

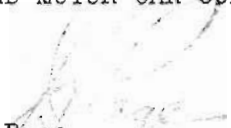
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This billing procedure is suggested because the Federal Excise Tax is a tax on the manufacturer and is not a tax which must necessarily be passed on to the customer in the form of a tax and it is improper to mention to the retail purchaser that any tax items are included.

We recommend, however, that you procure a rubber stamp immediately and stamp on ALL invoices rendered on and after June 21 - "THE ABOVE PRICES INCLUDE ANY FEDERAL TAX IMPOSED BY LAW."

Yours very truly,

PACKARD MOTOR CAR COMPANY


J. F. Page
General Service Manager

BRH:HN
(d) 1800