Thursday, December 29, 2011

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-Lee Rogness

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Legislative & Regulatory News

Payroll tax cut instructions from the IRS

The Temporary Payroll Tax Cut Continuation Act of 2011 temporarily extends the two percentage point payroll tax cut for employees, continuing the reduction of their Social Security tax withholding rate from 6.2% to 4.2% of wages paid through Feb. 29, 2012. Employers should implement the new payroll tax rate as soon as possible in 2012 but not later than Jan. 31, 2012.

For any Social Security tax over-withheld during January, employers should make an offsetting adjustment in workers' pay as soon as possible but not later than March 31, 2012. Under the terms negotiated by Congress, the law also includes a new "recapture" provision, which applies only to those employees who receive more than \$18,350 in wages during the two-month period (the Social Security wage base for 2012 is \$110,100, and \$18,350 represents two months of the full-year amount). This provision imposes an additional income tax on these higher-income employees in an amount equal to 2 percent of the amount of wages they receive during the two-month period in excess of \$18,350 (and not greater than \$110,100).

This additional recapture tax is an add-on to income tax liability that the employee would otherwise pay for 2012 and is not subject to reduction by credits or deductions. The recapture tax would be payable in 2013 when the employee files his or her income tax return for the 2012 tax year. With the possibility of a full-year extension of the payroll tax cut being discussed for 2012, the IRS will closely monitor the situation in case future legislation changes the recapture provision.

The IRS will issue additional guidance as needed to implement the provisions of this new two-month extension, including revised employment tax forms and instructions and information for employees who may be subject to the new "recapture" provision. For most employers, the quarterly employment tax return for the quarter ending March 31, 2012 is due April 30, 2012.

Source: IRS Newswire.

Employers Rush to Court to Block Labor Board's Bias Election Rule

WASHINGTON, D.C. // DECEMBER 20, 2011 // Today, the Coalition for a Democratic Workplace and the U.S. Chamber of Commerce filed suit in federal court to block the National Labor Relations Board's unfair "ambush" election" rule, which would radically change the process for union representation elections. The new rule effectively shortens election time frames, limiting employees' opportunity to hear from employers and make an informed choice and diminishing employers' due process.

The 15-page complaint seeks to enjoin the NLRB from enforcing the final rule.

CDW chairman Geoffrey Burr said, "Instead of putting fairness first, the NLRB bowed to special interests by abandoning longstanding rules governing union-representation elections for this new rigged system where employees have less information and employers have fewer legal rights and a diminished due process." He continued, "Big Labor's paid union organizers seeking more dues-paying members spend months making their pitch. Employees deserve to hear from employers too – employees deserve the full story." Burr concluded, "Unfortunately, taking legal action was the only way to block the rogue agency's unfair rule."

A copy of the complaint can be found at MyPrivateBallot.com

EPA Finalizes 2012 Renewable Fuel Standards

The U.S. Environmental Protection Agency (EPA) has finalized the 2012 percentage standards for four fuel

CEO Blog

Do You Tweet? December 2011

Recently, while attending the lowa-Nebraska Equipment Dealers Association annual meeting, I had the opportunity to hear Sabrina Sebastian, marketing and media manager for Fastline Publications, discuss social media. She does an excellent job of making a complex topic seem a little more manageable, and I would like to give her credit for most of the ideas contained in this article.

It is impressive to hear the statistics on whom and how many are currently using social media. For instance, more than 400 million people log on to Facebook every day, and the average user spends 55 minutes per day on the site. In fact, if Facebook were a country, it would be the fourth largest! Consider that more than 2 billion (yes billion with a "B") videos are viewed on YouTube every single day. And, there are many more surprising statistics, but suffice it to say that social media is a big deal. Just ask the 106 million Twitter users, of which 37 percent use mobile phones to tweet

Intrigued yet? Well, consider some of the ways businesses are using social media to make money. Yes, that's right—to make money—such as promoting the business or brand, offering specials to loyal customers and announcing new products or services. The great thing about promoting products through social media is that you can make it personal.

Social media can also be effective in educating customers. For instance, "how-to" videos are inexpensive and can easily be posted on YouTube. Posting "Top 5" or "Top 10" lists of products, brands or services can certainly be a fun way to provide information about your business. And seminars can be offered covering a plethora of topics. There are, of course, infinite ways of sharing information, such as straightforward or entertaining.

Another way social media can be used is to offer recognition to employees or discuss community events your business may be promoting. Letting people know about awards the company or employees have received helps build recognition and credibility, and can speak volumes on behalf of your business.

Customer participation through social media can also help gather information. For instance, you can conduct a focus group or quick survey about products or services you offer. What a great tool for "connecting" on categories that are part of the agency's Renewable Fuel Standard program (RFS2). EPA continues to support greater use of renewable fuels within the transportation sector every year through the RFS2 program, which encourages innovation, strengthens American energy security, and decreases greenhouse gas pollution.

Overall, EPA's RFS2 program encourages greater use of renewable fuels, including advanced biofuels. For 2012, the program is implementing EISA's requirement to blend more than 1.25 billion gallons of renewable fuels over the amount mandated for 2011. Read more

AEM commends Senate action on national ag machinery lighting/marking legislation

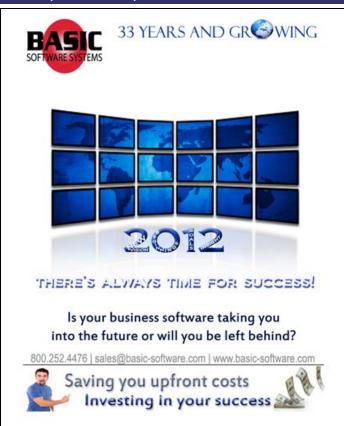
The Association of Equipment Manufacturers (AEM) applauds U.S. Senate committee approval of legislation to improve safety on rural roads by providing consistency regarding lighting and marking requirements for agricultural machinery. The legislation was included in a highway safety bill approved by a voice vote of the Senate Committee on Commerce, Science and Transportation. The association expects to now see the measure combined with the "highway bill" due for consideration early in 2012. The national legislation uses the standard developed by the American Society of Agricultural and Biological Engineers (ASABE) for establishing a national minimum for lighting and marking agriculture equipment. Many states have already incorporated the ASABE standard or earlier versions into their motor vehicle codes, and ASABE says that, as a result, "countless American lives have been spared from roadway tragedy."

AEM supports the legislation, and at AEM's request, Sen. Klobuchar (D-MN) and Sen. Thune (R-SD) introduced the legislation. Sen. Stabenow (D-MI), Chair of the Ag Committee, is a co-sponsor. Two members of the House of Representatives, Phil Hare (D-IL) and Aaron Schock (R-IL), sent a "Dear Colleague" letter to other members of the House in support of the legislation. The letter points out the need for federal legislation since "state laws that apply vary widely, often representing outdated technology."

The letter stated, "Fifty-five percent of all traffic fatalities occur on rural 2-lane roads where agricultural equipment is moved from field to field during the dimly-lit periods of dawn and dusk, and proper lighting and marking can enhance visibility and increase the safety of transportation on these roads."

The bill is not retroactive and thus will pose no costs to farmers for existing machinery.

NAEDA Update Official Sponsor



Industry & Manufacturing News

Joint Statement from Department of Defense and Department of Transportation Issued on GPS

a more consistent basis. Put up a blog to offer your ideas and opinions while garnering participation and valuable feedback from current and potential customers

What about the equipment industry specifically? More than 50 percent of large corn and soybean farmers use social media, according to Sabrina's statistics. In a recent survey of farmers, 48 percent indicated they texted five times or more PER DAY. Sixty-three percent of those surveyed also transmitted photos via their smartphones!

Convinced to at least try it? Well, this is the point where I would tell you that social media is not without its challenges and work to make it successful. Just like anything else you do in your business, it starts with a vision and a goal, and then the practical tactics to execute. What is your vision; what do you hope to accomplish through the use of social media?

A good set of policies and procedures always helps; concepts like being professional, providing boundaries for use by employees, and what happens if you receive some unwanted criticism from a disgruntled customer, etc. In other words, cover the bases ahead of time, and think through how you want to engage in social media and what face you want to present.

Starting out, you will probably need to assign a point person in your business to be responsible for the use, content, maintenance and implementation of your social media plan. It could be a person on staff or an intern from the local FFA chapter or 4-H club. Like any other part of your business, it will take focus, commitment and knowledge to have a chance of being successful and sustainable.

I have never been a "bleeding edge" kind of person when it comes to technology. However, after listening to Sabrina on more than one occasion and trying some of this at NAEDA, I have come to the conclusion that being on or near the "leading edge" can be profitable for a business. My only purpose today is to simply whet your appetite for considering trying social media. We have a Twitter account at NAEDA. Do you tweet, as well? And that's the way I see it



Resources

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On Wednesday, December 14, a government technical group reviewed the findings from last month's testing of LightSquared's proposal to provide new broadband service. The final test report will be sent to the National Telecommunications and Information Agency (NTIA), which advises the President on telecommunications policy, and represents federal agencies to the Federal Communications Commission (FCC).

Preliminary analysis of the test findings found no significant interference with cellular phones. However, the testing did show that LightSquared signals caused harmful interference to the majority of other tested general purpose GPS receivers. Separate analysis by the Federal Aviation Administration also found interference with a flight safety system designed to warn pilots of approaching terrain.

The findings were presented to the technical steering group which represents the seven federal agencies that make up the Space-Based Positioning Navigation and Timing Executive Committee. Over the next several weeks, the final analysis of the findings will be completed and a final report will be transmitted from NTIA to the FCC. Read more

Kubota to buy Norwegian farm equipment maker

OSAKA (Kyodo) -- Agricultural machinery maker Kubota Corp. said Friday it will launch a friendly tender offer to acquire all outstanding shares in Kverneland ASA, a Norwegian manufacturer of tractor equipment.

The acquisition is aimed at a full-scale entry into the market for upland farming equipment especially in Europe, Kubota said.

With its forte in equipment for paddy cultivation, Kubota is hoping to raise the sales ratio of upland farming machinery to 50 percent of all sales from agricultural equipment.

The Osaka-based company has set aside 17 billion yen for the tender offer to be carried out from Jan. 6 to 20.

Founded in 1879, Kverneland manufacturers and sells plowing, seeding and other products used in soil preparation.

Source: The Mainichi Daily News

Stihl Inc. to expand Va. Beach site, hire 52 new workers

Power tool manufacturer Stihl Inc. plans to spend \$10.3 million to build an expansion at its U.S. headquarters and hire 52 new workers, city officials are set to announce today.

The expansion would allow the German company to double its manufacturing capacity for "blow-molded" plastic products, such as tubes used for blowers and fuel tanks.

Read more

Source: The Virginian-Pilot (Norfolk)

NAEDA, Association & Program Partner News

NAEDA Equipment Dealer Foundation announces scholarship program

The North American Equipment Dealers Association's Equipment Dealer Foundation (EDF) has announced the availability of scholarships to assist in the training, re-training and/or advancement of employees or potential employees of equipment dealers in the U.S. and Canada.

The North American program is designed to create a larger pool of qualified, committed, long-term employees for equipment dealerships. Scholarship grants will be administered and matched by NAEDA affiliate associations. Equipment dealerships will also be required to match the scholarship granted by EDF and NAEDA affiliated associations.

Tom Nobbe, Chairman of EDF, stated the Foundation is "Pleased to announce that this program will help dealers have a greater impact when it comes to attracting good, qualified talent to their dealerships." Paul Kindinger, president/CEO, added, "The need for qualified people at dealerships across North America is only going to increase with time. We hope this small step towards helping NAEDA affiliates and our dealer members clearly demonstrates our interest and support for efforts already underway at the local level."

For more information, contact EquipmentDealersFoundation@naeda.com.

Read Press Release

FedEx and UPS to Raise Small Package Rates for 2012

The North American Equipment Dealers Association Shipping Program, managed by PartnerShip, today announced that FedEx Corp. and UPS will increase envelope and small package shipping rates for 2012.

Air Shipping Costs to Increase

Effective January 2, 2012, the cost to ship an overnight envelope with Memphis-based FedEx Express will increase by a net average of 3.9%. The full average rate increase of 5.9% will be partially offset by adjusting the fuel price threshold at which the fuel surcharge begins, reducing the fuel surcharge by 2%. Air

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About NAEDA Update

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The North American Equipment Dealers Association provides educational, legal, legislative, and financial services to approximately 5,500 retail agricultural, construction, large property/rural lifestyle, and outdoor power equipment dealers in the United States and Canada.

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packages shipped with Atlanta-based UPS will increase by a net average 4.9% beginning January 2, 2012. The rate increase for UPS air and international shipments is based on a 6.9% increase in the base rate, less a 2% reduction to the index-based air and international fuel surcharge.

Ground Shipping Rates Going Up As Well

Effective January 2, 2012, the cost to ship with FedEx Ground will increase by a net average 4.9%. The full average rate increase of 5.9% will be partially offset by adjusting the fuel price threshold at which the fuel surcharge begins, reducing the fuel surcharge by 1%. UPS ground shipping will also increase by a net average 4.9% for U.S. domestic services, achieved through a 5.9% increase in the base rate, less a 1% reduction to the index-based ground fuel surcharge.

Additionally, UPS Next Day Air Freight and UPS 2nd Day Air Freight rates for shipments within and between the U.S., Canada and Puerto Rico will increase 5.9%. UPS 3 Day Freight rates will remain unchanged.

It's not too late to make a year-end tax deductable donation for disaster relief

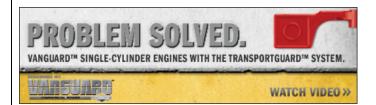
The Equipment Dealer Foundation Disaster Relief Fund was established by NAEDA and its affiliated associations in September 2005, after Hurricane Katrina caused severe destruction along the Gulf Coast. The fund was originally designed to help offset some of the financial demands faced by dealers and employees where dealership employees were either evacuated or forced to leave their homes because of severe storm damage, flooding and power losses.

The fund remains in place today and continues to assisted dealers and their employees affected by hurricanes, flooding, tornados, fires and other natural disasters. Grants may be used for food, living expenses, temporary accommodation, home repair, home replacement, permanent home construction, transportation, and other approved needs.

Since Katrina, the EDF Disaster Relief Fund has provided more than \$200,000 grants to dealers and their employees in the U.S. and Canada. All from support of dealers and manufacturers.

Now is the time to take advantage of year-end tax planning by making a donation to the relief fund.

If you are interested in donating to the EDF Disaster Relief Fund, go to www.naeda.com or call (636) 349-5000 for more information. EDF is the publicly supported 501 (c) (3) charitable organization of the North American Equipment Dealers Association and all donations are tax deductable.



Canadian News

Senate vote ends Canadian Wheat Board's monopoly

The Senate has passed the Harper government's legislation to strip the Canadian Wheat Board of its monopoly over western wheat and barley sales.

The bill received third reading and final approval in the upper chamber Thursday afternoon. It was given formal royal assent on December 15th.

Read more.

Source: CTV.ca

Canadian economy ranked second-best in 2011

The Bank of Montreal says Canada's economy was the second best in the Group of Seven big industrial nations this year.

The bank says in its annual report card that only Germany, with a lower unemployment rate and a current account surplus, did better than Canada. Italy, which is facing a major sovereign debt crisis, fared worst in the group.

Read more.

Source: TheStar.com

Canada needs to look beyond the U.S. for trade

When Foreign Affairs Minister John Baird sat down with the QMI Agency this week, he hinted maybe it is time for Canada to start seeing other people, especially when it comes to trade.

There's no suggestion our business or our close relationship with the United States is about to go south, so to speak, and don't expect a huge drop in truck traffic and clear sailing at any U.S. border crossing anytime soon. The U.S. is our biggest trading partner. Proximity and consumerism on both sides of the border ensure that will never change.

Read more.

Source: Ifpress.com

Canada dollar reaches 11-month high

The Canadian dollar rose to the highest level since January against the euro on speculation the European Central Bank will need to increase cash injections after Italy failed to sell the maximum amount at debt auctions.

The currency, nicknamed the loonie, rose against a majority of its most-traded peers and was little changed against its U.S. counterpart on optimism the American economy is gaining momentum, spurring demand for currencies linked to growth. U.S. stocks advanced as a report showed jobless claims dropped to a three-year low in the past month.

Read more.

Source: Bloomberg.com

House of Commons adjourning for six weeks

Members of Parliament are taking a six-week Christmas break. All parties have agreed to adjourn the House of Commons and the House is not scheduled to resume business until Jan. 30. Government House leader Peter Van Loan says much has been accomplished during the fall sitting, which he describes as workmanlike, orderly and aimed at goosing economic growth.

Read more.

Source: CTV.ca

Tip of the Month



December Compliance Tip of the Month: SPCC? ASAP!

The deadline for completing a Spill Prevention, Control, and Countermeasure (SPCC) plan for your facility has been extended six times since 2002, but the latest deadline on November 10, 2011 has passed without an extension. The New SPCC regulations are now law.

Free KPA webinars

Thursday, January 12, 2012 - <u>Do's and Dont's of Respiratory Protections</u>

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