

The Link

Newsletter | December 2022



More Than Just Talk

by Linda Jovanovich
Executive Vice President, HMA



2022 will soon be in the rearview mirror, but this year's challenges—labor shortages, supply chain constraints, product shortages, inflation—remain front and center. Now, if yours' is the 'glass-half-empty' mindset, 2023 is looking bleak. But for us 'glass-half-full' enthusiasts, we're hyped and ready to get 2023 started—not with a whimper, but with a Bang!

Let's do that together, March 22–24 at HMA's National Conference and Expo in Nashville.

I know, the holidays are upon us, and holiday prep is most likely taking a priority spot on your calendar. (Mine, too!) But March is just a few months away, and so I'm asking you to take care of NatCon 2023 business, today.

At the very least, make your hotel reservation at the JW Marriott and finalize your Conference registration. When those two priority tasks have been completed, then by all means, ease into the month of December, and gear up for the joyful times ahead.

To simplify things for you, HMAmembers.org, is where you can easily and quickly take care of **Hotel** and **Registration** business. (Two clicks, and you're done.) And this issue of *The Link* includes a National Conference 'Bulletin Board' with specifics on hotel, registration, sponsorships, and the event agenda. So, I encourage you to keep reading, please, and remember, if you have any questions, contact me at ljovanovich@hardwood.org.

On a personal note, at this festive time of the year, I say, Happy Holidays to you and to all those near and dear to you. I hope to spend a lot of time with my loving and thoughtful children, precious grandchildren, and dear friends. And whatever plans you may have—enjoy—and all the best!

Linda



Industry Alert! Federal Grants for 'at-Risk' Mills

On November 17, the Biden-Harris Administration announced \$20.5 million in grants to help states or federally recognized tribes establish temporary bridge programs to protect water resources during forest-related operations and to assist wood processing facility owners to establish, reopen, retrofit, or expand. *The grants are focused on sawmills or other wood processing facilities that purchase and process byproducts from forest restoration activities in areas of severe fire risk and insect or disease infestation.*

More information about these funding opportunities is available at the [Forest Service](https://www.forestservice.gov) website and on [Grants.gov](https://www.grants.gov).

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National Conference 'Bulletin Board'

On the Agenda in Nashville

It will soon be National Conference and Expo time. Will you be joining HMA in Nashville, March 22-24? We certainly hope so. But, if you're still in undecided mode, maybe the following info will seal the deal.

The Conference theme is **Agents of Change**, and our business sessions will provide information for all looking to: become better leaders; augment their workforces; optimize existing systems/operations; and improve efficiency and production.

■ Implementing Agents of Change with Effective Communications and Leadership

No matter what industry, the world of work is evolving, and change is upon us. And while change is difficult, successful business owners know not to assume that what's worked before will work again. In this opening session, **Steve James**, certified John C. Maxwell coach, trainer, speaker—and CEO, Frank Miller Lumber Company—will discuss leading by example, workplace culture, and much more.

■ Trends and Forecasts

In this presentation, **Dr. Chris Kuehl**, analyst, economist, thought-leader, managing director, and co-founder of Kansas-based, Armada Corporate Intelligence, will provide a current assessment of the U.S. economy and a forward-looking analysis of trends to watch.

■ Taking Your Operation to the Next Level

Can technology really help close the workforce gap and assist you in meeting the unique needs of your customers? Two panels, comprised of **industry experts + HMA members**, will discuss solutions and the challenges that have been met. You'll want to hear what your peers have been able to accomplish.

And that's just for starters! Join us as we learn to become **Agents of Change**.

Finalize Your Registration

It's time to secure your spot in Music City. Not an HMA member? Not to worry. This is "the" HMA event that is open to all hardwood industry stakeholders! Don't waste another minute.

Register online at HMAmembers.org to secure these discounted rates:

- HMA and SCMA member, and 2022 Promotion Contributor registrations are \$550 (\$600 after March 6)
- Non-Member registration is \$675 (\$750 after March 6)

Book Hotel Accommodations

Rooms at the JW Marriott (201 8th Avenue South, Nashville, Tennessee 37203) are going fast. Book your stay [online](https://www.jwmarriott.com) or by calling **629.208.8384**.

And be sure to mention the HMA to secure the group rate of \$289/night.

Attention: Industry Suppliers

Exhibitor Booths are being reserved on a first-come, first-served basis, and we don't want you to be left out! Visit HMAmembers.org for a look at what's available. Then contact us at info@hardwood.org to secure your Booth selection and Exhibitor package.

Sponsorships for the Taking

If you haven't signed on as a 2023 National Conference Sponsor, you're wasting precious time. It's such an easy and cost-effective way to gain greater company recognition. Plus, your *extra* measure of financial support assists the HMA in providing all participants quality learning sessions, stellar networking events and, Conference amenities.

To get started, simply review the currently available **sponsorship options** to the right, then email info@hardwood.org to get the ball rolling.

Once we receive your company logo, we'll "spotlight" you in *The Link* and *Mid-Month Update* newsletters, on social media, throughout the event in Nashville, and all-year-long online at HMAmembers.org.

Secure your sponsorship, today!

Platinum Sponsor | \$2,500

Lanyards • NatCon Events Guide (full-page ad, interior front or interior back page covers) • "Nashville Nights" Opening Reception • Bourbon Station at Wednesday Reception • Thursday Reception with Nashville Bushwacker • Swag Bags • Hotel Key Cards

Silver Sponsor | \$1,250

Thursday or Friday Breakfast Bar • Thursday Afternoon Snacks • NatCon Events Guide (half-page ad)

Gold Sponsor | \$1,750

Thursday Morning Breakfast • Thursday Vendor-Expo Café Lunch • Friday Morning Breakfast • Thursday or Friday Opening Session • *The Link* and/or *Mid-Month Update* Newsletters • Hotel Key Card Folders • NatCon Events Guide (full-page ad)

Bronze Sponsor | \$750

General Learning Sessions • Swag Bag Snacks

Event Sponsors



Platinum Sponsors



Gold Sponsors



Silver Sponsors



Thanking Our 2022 Promotion Contributors

The Hardwood Manufacturers Association (HMA) would like to take this opportunity to recognize and thank YOU, all the industry stakeholders who have contributed to our Education/Promotion Campaign. Your contributions speak volumes. Thank you for keeping hardwood promotion on your priority list.

Over the past year—via **The American Hardwood Information Center (AHIC)** at HardwoodInfo.com, numerous online editorial features, Continuing Education presentations, social media advertising, and much more—our hardwood message has reached countless consumers, architects, designers, and the build community, at large.

And so, on behalf of all industry stakeholders, HMA applauds the extra effort of the following contributors for their generosity. For the period November 1, 2021, through October 15, 2022, thank you to:

HMA Member Contributors

Abenaki Timber Corporation
Anderson-Tully Co.
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Non-Member Contributors

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Hardwood Market Report
Maxwell Hardwood Flooring
National Hardwood Magazine

SII Dry Kilns
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American Hardwoods™

Only through industry support and collaboration can promotional efforts, designed to inspire a renewed preference for American hardwood products, continue.

To add your company name to these lists of supporters, contact ljovanovich@hardwood.org. We look forward to hearing from you.

What's New with the SCMA?

by Ian Faight

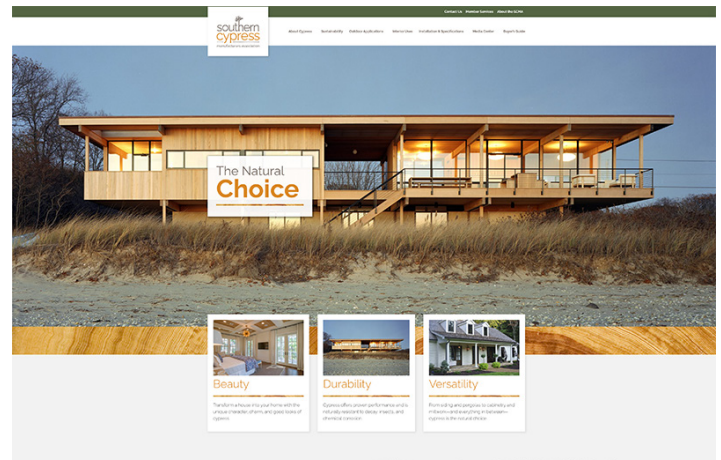
Marketing, Communications, and Digital Content Director, HMA

It's been a busy year for cypress promotion and the Southern Cypress Manufacturers Association (SCMA) is looking to wrap up some exciting projects by year end, with plenty more planned for 2023. Here's a brief recap of what the SCMA has been up to and a look at what's on the horizon.

Gaining Exposure at NAWLA Traders Market

In November, the SCMA exhibited at the North American Wholesale Lumber Association's 2022 Traders Market in Phoenix, Arizona. The three-day event provided eight hours of exhibit time to meet and network with 1,600 attendees, 239 exhibitors, and trade media. Overall, it was a great show for cypress exposure in the Western market and to promote the versatile wood as an alternative species in the softwood industry.

SCMA and HMA members Atlanta Hardwood Corporation and Beasley Forest Products—and many hardwood industry vendors and friends—also had booths in the exhibit hall, and spent some time in the SCMA booth.



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Launching a New & Improved CypressInfo.org

The SCMA is finishing up its redesigned home on the web at [CypressInfo.org](https://cypressinfo.org). Revamped with a new logo, coastal color pallet, fresh content, and detailed technical specs, the site will serve as a hub of information for consumers and the design/build community. Look for the new site by year's end.

Publishing New Features on Home Reno Projects

Coinciding with the launch of a new website, the SCMA is working with designers and builders on several new editorial features to inspire homeowners.

Through interviews with the pros and dazzling photos, kitchen renovations, furniture upgrades, outdoor living spaces, and millwork enhancements will be top of mind as renovation season approaches.

Lend Your Support

Is your company engaged in the manufacturer, processing, or distribution of cypress products? Then email ian@hardwood.org to learn more about the SCMA, its mission, and cypress promotion.

Hardwood Federation Industry Tidbits

by Dana Lee Cole
Executive Director, Hardwood Federation



Post Mid-Term Elections 'Good News'

Many key industry partners and Hardwood allies will be returning to Washington to kick off the 118th Congress and help shape the agenda next year. **Senate** champions include Ag Committee leaders Sens. Debbie Stabenow (D-MI) and John Boozman

(R-AR). The party leaders on the Natural Resources Committee offer another win-win scenario, with either Joe Manchin (D-WV) or John Barrasso (R-WV) poised to take the helm next year.



On the **House** side, longtime ally GT Thompson (R-PA) will serve as Chair or Ranking Member of the Ag Committee. Abigail Spanberger (D-VA), also a good friend, has chaired the Conservation and Forestry Subcommittee. Vern Buchanan (R-FL) will play a leadership role on Ways and Means. Bruce Westerman (R-AR), will have the one or two spot on the Natural Resources Committee. Also returning are influential members Suzanne DelBene (D-WA), Earl Blumenauer (D-OR) and Jim Costa (D-CA).

We look forward to working with them and with the new members of Congress that will be joining Senate and House committees important to our industry.

As 2022 Winds to an End...

For the lame-duck session that will close the 117th Congress, important issues are topping the priority list:

- **Federal Spending** | Funding for the federal government runs out on December 16. To prevent a partial government shutdown, lawmakers must kick the can for an additional amount of time or agree on a final budget for Fiscal Year (FY) 2023.
- **Energy Permitting** | Senate Democratic Leadership have struck a bargain with Sen. Manchin to address energy permit streamlines impacting projects in West Virginia.
- **Tax Package** | Every year several tax credits reach their "sunset dates" and must be either dropped or renewed. This year there's a push for renewal of 100% depreciation of industrial equipment, which the industry supports. Specifically, on November 14, the Federation sent a letter to the Hill's key tax writers urging Congress to extend the tax credit for 100% bonus depreciation as they consider an end-of-year tax package. The industry relies on the credit to bolster investments in new dry kilns, boilers, forklifts, trucks and other equipment essential to producing hardwood products and moving them to end customers. Although Congress generally pulls together a "tax extenders package," as the legislation is generally known, at the end of each year, the timing and scope of a tax deal in December is not yet known.

And from All of Us at the Hardwood Federation...

Here's to a joyful Holiday Season followed by a New Year of good health and prosperity.

**D.C.
Cheat Sheet**

HARDWOOD
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Sign Up for the D.C. Cheat Sheet

And remember, to receive 'snapshot' updates of the Washington D.C. happenings that may impact the U.S. hardwood industry, subscribe to the Hardwood Federation's [D.C. Cheat Sheet](#).

Tax Planning as Year-End Approaches

by Paul Impellicceiri
A.F. McGervey & Co., LLC

The recently passed Inflation Reduction Act has some targeted tax provisions—related to alternative energy—but for the most part, from a tax legislation perspective, 2022 has been a relatively stable year with few major changes. This provides for a more certain tax planning environment, as year-end approaches.

And with the results of the November elections, it doesn't appear that either side will have the ability to pass any significant tax legislation in the near future. But, with slim margins in the House and Senate, it is possible that changes could still occur in the lame-duck session before year-end.



For Business Owners

- The timing of income and deductions is always an important part of tax planning. It appears the **corporate tax rates** will not change for 2022, and with the change in the majority in the House of Representatives the rates are not likely to change in 2023. This could influence decisions regarding accelerating income or deductions.
- The 100% **bonus depreciation provision** begins to sunset at the end of 2022. Unless Congress extends it, it will be reduced by 20% each succeeding year until 2027, when it goes away completely.
- Many companies are receiving unsolicited offers to assist them in applying for the **employee retention credit**, a program that was expanded in 2021. Under its provisions, if a company experiences a 20% (down from 50% in 2020) decrease in revenues in a given quarter in 2021—when compared to the same quarter in 2019—it may be entitled to a credit for wages paid to retain employees. The deadlines for retroactively claiming these credits are April 15, 2024, for all 2020 quarters, and April 15, 2025, for all 2021 quarters.

- The Payroll Protection Program—started in 2020 and continued into 2021—provided liquidity to a number of businesses. Companies continue to have the ability to claim forgiveness from repayment of these loans, **if** the requirements were met. If the loan was not wholly forgiven, then repayment terms have most likely begun.

For Individual Taxpayers

- Tax brackets and standard deductions have been indexed for inflation, however there were no major legislative changes made to the reporting of income and deductions.
- The Child Tax Credit and Dependent Care Credit were expanded in 2021, and some of those provisions have continued into 2022. (No advance checks were issued in 2022.)
- With most of the major market indexes declining in 2022, individuals may consider opportunities for **tax loss harvesting**. Some of the losses may be available to offset other income.
- Individuals with Required Minimum distributions need to make sure they have taken them before year-end. In addition, they may consider making qualified charitable contributions directly from their IRA's. This can reduce taxable income and be more tax efficient than making contributions from other assets. Other charitable contribution opportunities include bunching contributions into one year, possibly through a Donor Advised Fund, or gifting appreciated securities.
- Taxpayers who received an early distribution from an IRA or retirement account—related to the corona virus—may need to continue to follow the reporting guidelines to avoid the penalties on these withdrawals.
- With the value of many retirement accounts down, it may be a good year to consider a Roth conversion. Converting to a Roth creates current ordinary income; however it reduces future Required Minimum Distributions and allows future growth to potentially happen in a tax favored account when markets rebound.

Paul Impellicceiri is a partner at Pittsburgh-based accounting/auditing firm, A. F. McGervey & Company, LLC, and can be reached for comment at impell@afmcgervey.com or 412.653-6101.

Hardwood Rocks

In celebration of their 100th anniversary, *Hardwood Market Report* is raffling off a custom T model electric guitar—valued at \$4,000—by Ferner Fine Instruments based in Memphis, Tennessee. Raffle tickets are \$100. Proceeds benefit the Real American Hardwood Coalition. Enter to win [online](#) by December 16.



Lead Time to Plan and Take Action

ITR Economics™ is the oldest, privately held, continuously operating, economic research and consulting firm in the U.S., and for more than a few years now, the group has been forecasting that a Great Depression will start near the beginning of the next decade. And while this event will be driven by circumstances different than the catastrophic event of nearly 100 years ago, “the Great Depression of the 2030s will impact the way we think, how we spend money, who and what we trust, and what we assign importance to in our lives.”

But it isn't all bad news. The ITR experts say that “there are many things you can do for yourself and your business to establish advantageous positioning before, during, and after the downturn. And firms and individuals that are entrepreneurial will find opportunities, especially as they adapt to the needs of the marketplace. Effective planning, ahead of upcoming economic turns, will make all the difference.”

The byword is ‘preparedness.’ “Just as the 1930s Great Depression defined a generation, the upcoming Great Depression will define a generation as well.”

For practical suggestions on how best to navigate what's to come, [continue reading](#).



The Link is published each month exclusively for members of the Hardwood Manufacturers Association. Views expressed are not necessarily those of the HMA; HMA staff welcomes comments and questions.

Hardwood Manufacturers Association

One Williamsburg Place, Suite 108
Warrendale, PA 15086

Phone 412.244.0440
Web HMAmembers.org
HardwoodInfo.org

Contact
Darleen Licina-Tubbs, Editor
Darleen@hardwood.org

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