

# The *Link*



The Newsletter of the Hardwood Manufacturers Association



## Online Registration up and running

Georgia's first and oldest city, Savannah, is calling. Are you planning to participate in HMA's National Conference and Expo, March 12-14? If so, be an 'Early Bird' registrant and take advantage of a **members only** \$50 savings. Online registration is up and running and here's all you need to do.

- Log onto [www.HMAmembers.org](http://www.HMAmembers.org) and follow the 2014 National Conference and Expo links to **Registration**.
- Complete all of the required fields.
- Either pay online (Visa or MasterCard, please) or indicate that you'll be forwarding your payment check.
- Finalize your registration.

It's just that easy. And remember, this savings is for HMA members, only. But it won't last forever. Take care of business today.

## Finalize your hotel accommodations

And while you're taking care of business, why not complete your hotel reservations and shorten that 'list of things to do.'

Grand as well as intimate, historic and yet contemporary, the **Hyatt Regency** Savannah, located along the waterfront at Two West Bay Street, offers endless amenities and unsurpassed service. And all within strolling distance of the world-famous River Street!

Reservations can be made online at [www.HMAmembers.org](http://www.HMAmembers.org) or by calling (888) 421-1442. And be sure to mention the **Hardwood Manufacturers Association/HMA** to secure the discounted room rate of \$172 single/double.

Don't delay. Add your name to the HMA's block of rooms at the Hyatt Regency, today. March 12-14 will be upon us before we know it and we hope to spend time with you in Savannah.

## Spotlight Sponsorships

Looking to differentiate your company and/or product from the rest of the pack? Being a 2014 National Conference and Expo Sponsor is just the ticket. Here's how.

For industry suppliers seeking the limelight, choose either the **EVENT SPONSOR** or **Platinum Sponsor** level of participation. HMA will happily spotlight your company and tout about your added support of our industry efforts.

HMA members can also share in the spotlight. Choose your sponsorship level – Diamond, Platinum, Gold, Silver or Bronze – and HMA will tell the world of your support and vote of confidence. Simply visit [www.HMAmembers.org](http://www.HMAmembers.org) to learn more or call the HMA office at (412) 244-0440.

Conference sponsorships help reduce meeting overhead and also enable us to expand our American Hardwood education/promotion efforts. And remember, we'll spotlight all Conference sponsors with special recognition in printed Conference materials, this storied newsletter, and at the HMA member website, [www.HMAmembers.org](http://www.HMAmembers.org).

Keep reading to see who's already signed on.

## "Welcome back" to ...

**A**tanta Hardwood Corporation (AHC), Mableton, Ga. and their yard locations in Clarksville, Tenn., Cleveland, Ga., Crystal Spring, Pa., and Huntersville, N.C. AHC president, Dan Caldwell, will serve as the company's HMA main contact, and we hope to see him, and many others, in Savannah in March. Dan can be reached via e-mail at [dcaldwell@hardwoodweb.com](mailto:dcaldwell@hardwoodweb.com). How about sending him a warm "welcome back!"



## NatCon sponsors showing their support Thank you-Thank you-Thank you!

Contemplating adding your company name to this impressive list of supporters? Simply call the HMA office to discuss how. (412)-244-0440.



For the third consecutive year – at the **Exhibitor Event Sponsor** level and supporting the HMA to the “max” – is the Pennsylvania Lumbermen's Mutual Insurance Co., Philadelphia, Pennsylvania! Thank you for finding our American Hardwood education/promotion efforts valuable. See you in Savannah, not only at Booth #18, but at all of the Conference events. ([www.plmins.com](http://www.plmins.com))



At the **Diamond Sponsor** level is J.T. Shannon Lumber Co., Memphis, Tennessee! This level of support assists in securing the Keynote presenters – Robert B. Tucker and Brian Beaulieu – that will be gracing the Conference dais. Thank you, Jack, for always finding value in our choice of speakers. ([www.jtshannon.com](http://www.jtshannon.com))



Also at the **Diamond Sponsor** level is Thompson Appalachian Hardwoods, Inc., Huntland, Tennessee. Nordeck Thompson is a member of HMA's Executive Committee and daughter Claire Thompson Getty, Executive Director of Thompson Appalachian Hardwoods, a member of HMA's Millennial Council. Thanks all around. ([www.thompsonappalachian.com](http://www.thompsonappalachian.com))



Once again stepping up to the plate at the **Platinum Sponsor** level is Anderson-Tully Company, Vicksburg, Mississippi! They've chosen to advertise in the redesigned 2014 National Conference Events Guide, so be sure to check out the inside front cover for their latest information. HMA appreciates your ongoing support. Thank you for going the extra mile, yet again. ([www.andersontully.com](http://www.andersontully.com))



Again stepping to the plate and at the **Platinum Sponsor** level is Baillie Lumber Company, Hamburg, New York! They too will be advertising in the 2014 Conference Events Guide. Be sure to take a look at the inside back cover. And thank you Baillie Lumber, not only for this added show of support, but for all you do in support of HMA's education/promotion efforts. ([www.baillie.com](http://www.baillie.com))



At the **Platinum Sponsor** level, thank you to industry supplier and longtime HMA event participant, Taylor Machine Works, Inc., Louisville, Mississippi! Thursday afternoon's Beverage Bar is being hosted by the hospitable folks of Taylor Big Red, so be sure to visit them at Booth #25. ([www.taylorbigred.com](http://www.taylorbigred.com))



Thank you to **Platinum Sponsor**, Thompson Hardwoods, Inc., Hazlehurst, Georgia! General Manager Steve Johnson told us that since HMA's Conference is coming to their home state, they wanted to show their support in a special way. They've opted for the lanyards which will tout their company name and website address and adorn the necks of all who will participate at HMA's 2014 meetings. ([www.ThompsonHardwoods.com](http://www.ThompsonHardwoods.com))

**Stay tuned, please!** There are more sponsors, but for this edition, we're out of space.

## More than just talk

by Linda Jovanovich

HMA Executive Vice President

**A**s I take stock of the past eleven months, I'm pleased to report that 2013 has been a good year. 'Things' can always be better of course, but after weathering several of what I'll call 'rocky years,' I feel HMA is not only grounded in today, but actively preparing for tomorrow.

The formulation of our **Millennial Council** is an example of that preparation. And after spending quality time with many of the seven Council members – during our 2013 spring and fall Regional Meetings and most recently in Washington during the Hardwood Federation Fly-in – I'm more than convinced that our efforts are point on. They are bright, extremely enthusiastic, and very eager to take our industry into the next decades.

I'd like for you to recall a recent Hardwood Executive feature in this publication; information from the Kevin Eikenberry leadership and learning consulting group about preparing employees for the future. They advised business owners and managers to:

“Consider building a formal mentoring program with the purpose of helping future leaders grow into leadership roles, because a mentor can be the perfect person to help another build confidence and competence to lead, when the time comes.”

And that's just what HMA is doing. Under the tutelage of HMA past president and Millennial Council coordinator, Terry Brennan, our next mentoring session, **Millennial Round Table-an Hour with Dr. Joe Denig**, is scheduled for Wednesday, December 11 – in the form of a “Distinguished Speaker” conference call. Topics will include sawmill/yard productivity, the importance of metrics for evaluating mill/yard operations, results/implications of HMA's Manufacturing Cost Survey, to name a few. And because of his unique ability to translate high level analysis into practical solutions, Joe Denig will be hosting the session.

So if you are mentoring a 'next generation ace' that would benefit by participating on the Council, please contact me for more details.

Now, enjoy the festivities of this holiday season. And here's to a New Year of good health for us all.

# Important Tax Implications – Business and Individual

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

While 2013 has been a relatively quiet year for new tax legislation, there are a number of regulations which were written into law in 2012 and prior, that took effect at the beginning of 2013. Several are set to expire at the end of the calendar year unless legislation is enacted to extend them. Don't be caught off-guard by some of the new provisions. These regulations will impact businesses and individuals alike.

## Business provisions:

- The law extended the increased limit of \$500,000 for new or used tangible property that may be expensed under section #179 in the year placed in service. The phase-out starts at \$2 million of equipment placed in service and fully phases out at \$2.5 million.
- **50 percent** bonus depreciation for new equipment placed in service in 2013 was extended. This provision is set to expire as of January 1, 2014.
- The employer mandate related to the **Affordable Care Act** has been delayed for one year deferring the effective date until January 1, 2015. This deferral provides employers with additional time to deal with its implications.
- The IRS has issued final Repair/Capitalization regulations which will impact most businesses due to their broad applications. The regulations provide guidance on when taxpayers may capitalize or expense the costs

of acquiring, maintaining, repairing or replacing tangible property. **These regulations do not take effect until January 1, 2014, but provide the option to apply the temporary or final regulations to earlier years.** In addition, business owners may want to establish systems to address the new regulations in future periods.

- A number of targeted business credits, extended through 2013, are set to expire after this calendar year such as the **Work Opportunity Credit** and **Research Tax Credit**.
- Earlier in 2013, the Supreme Court struck down provisions of the Defense of Marriage Act and issued rulings related to same-sex marriages. Business owners may need to review their policies and benefit plans related to these rulings to confirm they are in compliance with the law.

## Individual Provisions:

- For higher income taxpayers, the law increased the top tax bracket to 39.6 percent and re-imposed the phase-out of itemized deductions and personal exemptions.
- As part of the new healthcare law, an additional 3.8 percent tax will now be applied to the lower of net investment income or modified adjusted gross income. The income threshold for this provision is \$200,000 for singles and \$250,000 for married filing joints. This applies not only to interest, dividends and capital gains, but also to rents and trade or business income from an activity in which



the taxpayer is a passive investor. **Those business owners who own and lease a facility to their businesses could potentially face a higher tax rate due to these regulations.**

- The new health care law also imposes a 0.9 percent tax on wages and self-employment income above \$200,000 and \$250,000. **Employers** with employees who reach this level of compensation are required to withhold this additional tax. **This law may impact business owners who issue year-end bonuses for tax planning purposes.**
- In 2013, the **tax on capital gains and qualified dividends** has been raised for certain higher income taxpayers to 20 percent from 15 percent. This will place more emphasis on year-end planning related to harvesting gains or losses in investment portfolios.

Remember, as these changes take effect, the **timing** of income and deductions will continue to be important as the income thresholds for several of these provisions vary. A spike in income due to increased profitability, or a "one-time" transaction can have a dramatic impact on an individual's tax liability.

And **before** entering certain transactions, it is important to review the tax consequences. It will also be extremely important to review the status tax payments made for the year, as the new laws increase the tax rate on a number taxpayers who may find an unwelcome surprise when they finalize their tax returns.

Paul Impellicceiri is a partner at Pittsburgh-based accounting/auditing firm, A. F. McGervey & Company, LLC and can be reached for comment at (412) 653-6101 or [impell@afmcgervey.com](mailto:impell@afmcgervey.com).

## JUST FOR LAUGHS

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# Hardwood Federation Update

by Dana Lee Cole

Hardwood Federation Executive Director

The Hardwood Federation (HF) completed another successful Washington, D.C. Fly-In, October 30-31, breaking both attendance and Capitol Hill meeting records. As always, HMA was well represented. And this year, the Federation was thrilled to welcome members of HMA's **Millennial Council**.

Representing the next generation of the U.S. hardwood lumber industry were Council members Claire Thompson Getty, Thompson Appalachian Hardwoods, Inc., Jack Shannon III, J.T. Shannon Lumber Company and Matt Reynolds, Baillie Lumber Company. Their presence and participation sent the message that the industry is alive and well, full of young, energetic people interested in their businesses and how federal government decisions impact them. I hope this is the start of an annual tradition, and that they and others will visit Washington, on behalf of the industry.

From across the country came many other Hardwood industry business leaders. In total, a record number of 65 Fly-In participants met with over 70 Capitol Hill decision makers, via scheduled meetings, impromptu drop-ins, interactive ses-



sions, regarding the federal issues that impact their bottom lines. In preparation, HF identified three main issues of focus for our time on Capitol Hill:

- the importance of passing a 5-year **Farm Bill**
- the importance of developing EPA regulations that treat **bio-mass** emissions as a carbon neutral fuel source
- enhancement of **green building** certification programs by incorporating Life Cycle Analysis and multiple programs that certify sustainable forestry practices

This unified focus helped drive home our industry's message to Members of Congress, as well as their key staff who so often provide final words of advice as votes are being cast.

In addition to Capitol Hill visits and HF briefings, Fly-In participants also heard from representatives of the House, the Senate, the Administration, Republicans and Democrats. Guests included Robert Bonnie, Department of Agriculture Under Secretary for Natural Resources and Environment. An important Hardwood Federation ally, Mr. Bonnie impressed the attendees with his understanding of our issues and his interest in working closely with us on multiple fronts, including improving forest management practices of federal lands.

Other speakers included Sen. Jeanne Shaheen (D-N.H.), Rep. Shelley Moore Capito (R-W.V.), Rep. Renee Ellmers, (R-NC), Sen. Thad Cochran (R-Miss.), Sen. Joe Donnelly (D-Ind.), Sen. Mark Pryor (D-Ark.), and Sen. Debbie Stabenow (D-Mich.). Each plays an **important role** in U.S. agricultural policy and HF will be following up with them to reinforce our agenda and to remind them of the impact the hardwood industry has on the U.S. economy.

Because of the tremendous support we received from all of our Fly-In participants, the Hardwood Federation is heading into the New Year energized and full of enthusiasm! I hope our 2014 Fly-In will also be a record-breaking event and I look forward to welcoming you to Washington in September.

Enjoy the holidays!

## Follow-up on 'Antidumping'

A press release recently issued by the U.S. International Trade Commission (USITC) stated that the commission "determined a U.S. industry is neither materially injured nor threatened with material injury by reason of imports of hardwood plywood from China that the U.S. Department of Commerce has determined are subsidized and sold in the United States at less than fair value."

In a vote of 5-0, the ruling concludes that hardwood plywood from China does not injure U.S. industry and as a result of the USITC's determination, no antidumping or countervailing duty orders will be issued.

*Hardwood Plywood from China*, the Commission's public report, contains information "developed during the investigations" as well as the views of the five commissioners. Copies of the report will be available after December 16, and may be requested at [pubrequest@usitc.gov](mailto:pubrequest@usitc.gov) or by calling (202) 205-2000.

## Regarding the USITC

- As an independent, quasi-judicial Federal agency with broad investigative responsibilities on matters of trade, the agency "investigates the effects of dumped and subsidized imports on domestic industries and conducts global safeguard investigations.
- The Commission also adjudicates cases involving imports that allegedly infringe intellectual property rights. Through such proceedings, the agency facilitates a rules-based international trading system.
- The Commission also serves as a Federal resource where trade data and other trade policy-related information are gathered and analyzed. The information and analysis are provided to the President, the Office of the United States Trade Representative (USTR), and Congress to facilitate the development of sound and informed U.S. trade policy."

Most of the Commission's information and analysis is made available "to the public to promote understanding of international trade issues." Visit [www.usitc.gov/](http://www.usitc.gov/) for more.

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

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