

Hiring? Don't Miss Out on This Incredible Tax Credit



Between recruiting, interviewing and training, bringing on a new employee certainly isn't free. Wouldn't it be great to have the government chip in to offset these costs (and more)? The reality is, there's a good chance the government would be happy to do so.

California wants your business to grow and prosper...so much so that the state is willing to give you fairly substantial tax credits for every person you hire. The only real catch is that you have to go through the application process.

Introducing the California Competes Tax Credit (CCTC)

The California Competes Tax Credit is a little-known program that's been around for a few years. Every business in California is potentially eligible for this program, which provides an average of \$10,000 to \$30,000 in tax credits for each employee hired. These are actual tax credits—not just tax deductions—that can be carried forward for up to six years.

How much can your business receive? This depends on a few factors, including how many employees you hire. I recently got one of my clients, a hardware store, around \$250,000. On average I've helped other business owners get anywhere from \$10,000 to \$150,000.

Got a startup that's currently in high growth / zero profit mode? This tax credit is for you, too. You can get the credits now while you're expanding, and then "bank" them to use to slash your taxes later once your business is profitable.

The application process

So what do you have to do to get this money? The application process involves filling out paperwork and creating a proposal and submitting it to GO-Biz (the Governor's Office of Business and Economic Development). The nice folks at GO-Biz then take a close look at your application, all with an eye towards the anticipated economic impact that your hiring will have.

If your application is accepted, GO-Biz will tell you how much money in tax credits they will give you per new hire.

Of course, you must actually hire the employees

California created this program to incentivize desired behavior. To root out fraud, at the end of the year GO-Biz will do a review to ensure you're in compliance with your contract. If you don't follow through with the hiring plans outlined in your proposal, your tax credit is reduced accordingly.

The bottom line

Because we're seeing real value in this, applying for the California Competes Tax Credit is one of the many services that we offer for our clients. There's really no excuse not to apply!

Source: JM Montoya CPA, <https://JMMontoyaCPA.com>

NATIONAL ASSOCIATION NEWS

Get Sales Ready!

Sales is the lifeblood of any organization, and upping your sales game is vital to growth and success. Sales managers need to know how to hire the right salesperson, develop effective sales strategies and keep their team motivated. Sales professionals are tasked to bring in profitable business, use their time efficiently and have a fresh, meaningful sales approach. Then, of course, there are the buyers—they are multigenerational, savvy and have more options than ever before.

Printing Industries of America's Sales Ready! event provides sales professionals with a convenient, powerful and practical learning experience. Sales Ready! is designed to provide tools to boost sales momentum and effectiveness with actionable tips to gain a more competitive advantage. Get your sales team prepared to face the demands of today's complex and competitive business environment. Register today and get them Sales Ready!

Format

Sales Ready! will be presented in five one-hour sessions over five days via GoToMeeting, an easy-to-use web conferencing platform. Attendees can participate from the comfort of their office, use their computer or tablet to watch presentation content and listen via their phone or computer speakers. This is an interac-

tive event; attendees can ask questions and receive answers throughout. Specific login instructions will be provided upon registration.

What You Will Learn

- How to master time management and sell more in less time
- How to engage and sell to a multigenerational clientele
- The activities you should be coaching to your sales team that can make the greatest impact on revenue
- What you can learn from your clients to help you make better decisions
- The hidden characteristics and skills that make an elite sales professional

Who Should Attend

- Sales representatives
- Sales managers
- Account managers
- CEOs, presidents and owners
- Anyone who wants to drive more sales and make more money!

Event Dates

September 9-13, 2019
11:00 am to noon Pacific Time, Daily
PIA Members **\$99**
(All PIASC members are also PIA members)
Non-members **\$149**
Register at www.printing.org/sales-ready

PAPER BY JAN

Paper & Packaging Board's "How Life Unfolds" Campaign Enters Fifth Year

Jan Gottesman, President of Spicers Paper & Kelly Paper, reports on the latest happenings in the world of paper supply and costs.

The Paper & Packaging Board's "How Life Unfolds" campaign has now entered its fifth year. I am excited to report the good news that the campaign appears to be meeting its goal of generating awareness and positive feelings toward the paper and packaging industry and our products! Surveys are showing positive changes in peoples' attitudes around paper, especially in the "paper versus plastic" debate.

The Paper and Packaging Board recently released a report highlighting the results of its campaign impact survey. Here are some of the statistics regarding consumer attitudes towards paper and packaging that jumped out at me...

- **Essential:** 67% of respondents feel that paper-based product packaging is an essential part of everyday life – up from 56% when the campaign started in August 2015.
- **Impressive:** 70% of respondents think more highly of companies/brands that use paper-based product packaging – up from 44% in August 2015.
- **Premium:** 65% of respondents say that products that come in paper-based product packaging feel more premium – up from 54% four years ago.
- **Smart:** 67% of respondents say that trees, a renewable resource, make paper and packaging a smart choice – up from 48% when the campaign started in August 2015.
- **Relevant:** 75% of respondents feel that storing/keeping information on paper is valuable in a digital world – up from 64% four years ago.

Where does the "How Life Unfolds" campaign go from here?

Now that the campaign has made such strong inroads with the general public, we have the luxury of also focusing on the printing trade. The campaign's next big foray will revolve around promoting the value of print to potential print buyers.

The Paper and Packaging Board is in the process of developing sales tools, websites and more; I am on a committee that is helping develop tools for paper distributors and printing sales reps.

These tools will all be designed to help our industry successfully communicate the story of print's value, and print's place in the marketing mix.

To learn more about the campaign, visit www.howlifeunfolds.com.



STATE HAPPENINGS BY RJ

Monthly Update from Our Lobbyist in Sacramento

Where Things Stand in the 2-Year Legislative Cycle

Lobbying the state legislature to advance our industry's interests is an on-going process—and to a large degree, so is the legislative calendar. This is especially the case because California has a two-year legislative process; 2019 is the first year of a two-year session. Although bills can be introduced and passed in either year, quite often bills are introduced in year one of the cycle, and then held over until year two for further consideration. Sometimes this is done to allow more time for negotiations; other times it is done for purely political reasons.

Here are some of the important deadlines in this two-year cycle:

- **Bill introduction deadline** – Bills must be introduced into one house (i.e. either the Senate or the Assembly) by this date, which was February 22 in 2019.
- **"First House" deadline** – Bills that originate in one house must pass a vote in that house and move on to the other house by this date. This deadline fell on May 31 this year.
- **Appropriations Committee deadline** – The date by which all bills that have a fiscal impact on the state must either be voted out of this committee or held over for the next year. This deadline is coming up on August 30.
- **Floor Vote deadline** – After the Appropriations Committee deadline, all surviving bills are debated on the floors of the Senate and Assembly. Bills that pass this floor vote move on to the Governor. Bills that do not pass this floor vote, or are never called up for a vote, are dead, meaning they will not be held over for year two. In 2019 this deadline will be September 12.
- **Governor's signature** – After the legislature concludes its work, the Governor has one month to either sign or veto each bill. This is a very busy time for lobbyists, who must switch from lobbying the legislature to lobbying the administration. This year the Governor has until October 12 to make his decisions.
- **Cycle repeats** – Starting in January of year two, the cycle repeats itself as new bills are introduced and bills that were held over from year one are put back into play.

A number of important bills are still active

Some of the bills we have been actively lobbying for or against, such as AB 1303, which deals with career technical education, and SB 532, the services tax placeholder bill, have been held over until 2020. While others, such as SB 732, the SCAQMD sales tax bill, have been defeated for the year, there's always the chance they'll be reintroduced next year, possibly in a slightly modified form.

Many others, including those listed below, are still making their way through the process:

• **Ban on Arbitration Agreements (AB 51)** — If passed, this bill would significantly expand employment litigation threats to PIASC members by banning arbitration agreements made as a condition of employment. Governor Brown vetoed a similar measure last year. In his veto message he stated that an outright arbitration ban "plainly violates federal law." With Governor Newsom at the helm, it's unclear if an arbitration ban would be vetoed in this Administration.

• **Unemployment Benefits During Trade Disputes (AB 1066)** — This bill would allow employees on strike to receive unemployment benefits if the strike lasts more than four weeks. This of course would incentivize strikes, raising costs for employers and potentially affecting the solvency of California's unemployment insurance fund.

• **Unprecedented Product Regulation in California (AB 1080)** — This bill would set new mandates on manufacturers of all single-use packaging and certain single-use plastic consumer products under an unrealistic compliance time frame that fails to address California's lack of recycling and composting infrastructure. The bill contains provisions where compliance liability would fall not only on the manufacturer but could also capture entities that "distribute" or offer for sale the products in question. For PIASC members that print on packaging products, this bill is one to watch.

Looking down the road

In addition to the bills winding their way through the legislature, there is also a new ballot initiative being floated that would have a significant impact on PIASC members. Sponsored by the California School Board Association, the initiative (which has not yet qualified for the ballot) has two parts. Part A would increase taxes on personal incomes above \$1 million by 1.5%. Part B would increase taxes on business income above \$1 million by 5%. Those who own S corporations would apparently be hit with a "double whammy."

While the proponents of this initiative still have a lot of work to do, when you look holistically at the landscape of potential tax increases lurking on the horizon—this, the split roll property tax initiative, and a tax on services—things just might get very ugly.

PIASC is now engaged in the coalition to defeat all these initiatives, including educating Californians about how these tax increases would negatively impact everyone, not just business owners and "rich people."

Want to get involved with the lobbying efforts?

This is just a small sample of the many things we are lobbying for or against. If you would like to get involved with our industry's lobbying efforts, contact Lou Caron, PIASC President at 323.728.9500, Ext. 214, lou@piasc.org

GOVERNMENT & LEGISLATIVE

Guidance on Filing EEO-1 Component 2 Pay Data Reports

As we reported in May (see bit.ly/NN-05-27-19), private employers with 100 or more employees must file an annual EEO-1 report with the Equal Employment Opportunity Commission (EEOC). This report now has two components. Component 1 data for 2018 was due on May 31, 2019. Component 2 data for both 2017 and 2018 is due by September 30, 2019. This section of the report requires employers to provide fairly granular pay and hour data by job category, pay band, race/ethnicity and gender.

The EEOC has now (finally!) provided guidance materials regarding the Component 2 Pay Data Reports. The Component 2 EEO-1 Online Filing System website, which is at <https://eeocomp2.norc.org/index>, now contains “More Info” and “FAQ” sections. Some of the most helpful materials, including the following, are found by clicking on the “More Info” tab:

- Sample form
- Instruction booklet for filers
- User's Guide for the online filing system
- Fact Sheet listing deadlines reminders and definitions
- Reference documents
- And more.

Action item: Many organizations will find it quite time consuming to gather

and report the required data. The September 30th deadline will be here quickly; don't wait until the last minute to get started!

The Fight Against the Split Roll Property Tax Ballot Measure

The California Business Roundtable has launched a statewide effort to defeat the “split roll property tax” measure that will be on the 2020 ballot. This measure aims to strip commercial properties of Proposition 13 protections.

Under Proposition 13, property tax rates are capped at 1% of the property's assessed value as of the most recent change in ownership or new construction. Increases to this assessed value are then capped at 2% per year. If this ballot measure passes, commercial properties will be taxed based on their actual current market value, with this value then being reassessed every three years. Business owners with property holdings of less than \$2 million would be exempted.

For commercial property owners who have held their property for many years this change will result in an enormous property tax increase—costs which can easily cause some businesses to leave the state or go under.

If you're concerned about the negative impact that this would have on your business, join the California Business Roundtable's campaign at www.FightforProp13.org.

On Our Radar

Updates to items we've been following:

- **Discrimination based on hairstyles** – Governor Newsom signed SB 188 into law, making California the first state in the nation to ban racial discrimination based on natural hair. The new law amends the definition of “race” under the Fair Employment and Housing Act (FEHA) to include “traits historically associated with race, such as hair texture” and hairstyles such as “braids, locks and twists.”
- **Expansion of paid family leave** – Governor Newsom signed SB 83 into law, thus fulfilling a campaign promise to expand California's paid family leave benefits. Starting July 1, 2020, the maximum duration of paid family leave benefits that individuals can receive from California's State Disability Insurance program to either (a) care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling or domestic partner, or (b) bond with a minor child within one year of the birth or placement of the child via foster care or adoption, will be expanded from six weeks to eight weeks.

CLASSIFIEDS

EQUIPMENT FOR SALE:



Xante Impressia Digital Multi-Media Production Press \$7,000
Model No. 500-100942
110V with Feeder System, Stand & Conveyor
Includes- Hard Drive, Duplexer, & Iqueue Ultimate Software
Excellent Condition!
Meter: 76,695 Color Impressions & 43,961 Black and White Impressions.
Contact Ed at 310.970.1777



CONTACT US

Address:
5800 S. Eastern Avenue, Suite 400
Los Angeles, CA 90040
P.O. Box 910936
Los Angeles, CA 90091
Phone: 323.728.9500
www.piasc.org

Key Contacts

Lou Caron, President
Ext. 274, lou@piasc.org
Dennis Bernstein, Commercial Insurance
Ext. 222, dennis@piascins.com
Evie Bañaga, Employee Benefits
Ext. 224, evie@piasc.org
Kristy Villanueva, Member Services
Ext. 215, kristy@piasc.org
Cheryl Chong, Human Resources
Ext. 218, cheryl@piasc.org

Upcoming Events

WHAT WE CAN AND CAN'T DO WITH EMPLOYMENT BACKGROUND SCREENING



WEBINAR: What We Can and Can't Do with Employment Background Screening

Tuesday, August 20, 2019
11:00 am – 12:00 pm PDT

Sign up for this upcoming webinar where Cody Farzad of Employers Choice Online will be discussing the good, the bad and the ugly of employment background screening. Be up to date on current laws and what is allowed and not allowed specifically in California. We'll also focus on what employers should be mindful of when conducting new hire background checks.

We will discuss:

- Ban The Box / Fair Chance Acts
- Salary History Bans
- Social Media Searches
- Compliant Disclosures / Authorizations

Employers of any size and location will benefit from this webinar. Don't miss this FREE member-only webinar with Employers Choice Online, Inc., our preferred partner. Log in and be prepared to interact by asking questions.

Contact Emily Holguin at 323.728.9500, Ext. 200, or emily@piasc.org or visit www.piasc.org/events to register.



WEBINAR: Like a Pro: How to Analyze an M&A Opportunity

Tuesday, August 27, 2019
11:00 am – 12:00 pm PDT

The print industry is ever-evolving and as a result, M&A transaction structures for companies within the industry are constantly shifting.

If selling or merging has crossed your mind, you need to make sure you're familiar with the most up-to-date options and prioritize the creation of a sale or acquisition strategy before you do anything else.

In this webinar M&A expert Joe Polanco of New Direction Partners, will talk about:

- Thinking and Preparing to Buy or Sell – From an Owner's Perspective
- Understanding Value in Current Trends
- Learning Lessons from Others' Mistakes
- Knowing What's Attractive (and What's Not) to Buyers

Who should attend?

CEOs, Owners and Presidents

To register contact Emily Holguin at 323.728.9500 Ext. 200 or emily@piasc.org, or visit www.piasc.org/events.

PIASC Events Calendar

AUG
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WEBINAR: What We Can and Can't Do with Employment Background Screening

11:00 am - 12:00 pm
Online
Contact Emily Holguin, Ext. 200 or emily@piasc.org

SEPT
10

WEBINAR: How to Get Paid On Time (Also Assuring Good Paying Customers Stay that Way)

11:00 am - 12:00 pm
Online
Contact Emily Holguin, Ext. 200 or emily@piasc.org

AUG
22

WEBINAR: PRINTING United: New Expo Opportunities & Industry Economic Update

11:00 am - 12:00 pm
Online
Contact: Kristy Villanueva, Ext. 215, kristy@piasc.org

SEPT
17

PIASC Paper & Substrate Show

5:00 pm - 9:00 pm
Andrei's Conscious Cuisine Event Center, Irvine
Contact: Kristy Villanueva, Ext. 215, kristy@piasc.org

AUG
27

WEBINAR: Like a Pro: How to Analyze an M&A Opportunity

11:00 am - 12:00 pm
Online
Contact Emily Holguin, Ext. 200 or emily@piasc.org

For full list of workshops and virtual classes, please visit www.piasc.org/training.