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PRINTING INDUSTRIES OF CALIFORNIA

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Headline Summary

- Did You Know
- Social Media Privacy
- Indigo Presses, Step Forward
- Hazardous Waste Generators
- Clean Air Act Fees
- Tax on Tribal Governments

Social Media Privacy

Governor Jerry Brown signed into law two privacy bills, AB 1844 and SB 1349. These laws prohibit employers, universities employees, and university representatives from requiring or requesting the social media log-in information of their current employees, prospective employees, students, prospective students, or student groups.

AB 1844 D-Nora Campos, San Jose) specifically prohibits employers from requesting social media log-in information of both potential and current employees. SB 1349 (D-Leland Yee, San Francisco) prohibits university employees and representatives requiring or requesting social media log-in information from students, potential students, and student groups.

WatchDog

Guarding the Business of Print

October 2012

Did You Know...

These vital facts about the paper used in print products

- About 90% of paper and paperboard consumed in the United States is produced in the United States.¹
- Overall, 33% of papermaking material comes from recycled paper; 33% comes from wood chips and scrap from sawmills; and 33% comes from virgin trees.²
- Just 11% of the world's forests is used for paper (53% for fuel; 28% for lumber; and 8% for other uses)³
- Trees from tropical forests are not specifically harvested for paper. Direct causes of deforestation are agricultural expansion, wood for fuel, and urbanization and roads.⁴

¹Dan Burden, "Forest Profile, Agricultural Marketing Resource Center, 2009 (revised by Malinda Geisler, 2011)

²U.S. EPA, Office of Solid Waste, "Where do the papermaking materials come from?"

³International Paper, Down to Earth, "Is It Worth Printing?"

⁴Causes of Deforestation, Direct Causes, Earth Observatory/Nasa (2009).

Indigo Presses, Step Forward

We want to revise the estimated service life and percent good factor (the flip side of depreciation) for digital printing presses. Currently, the service life is 10 years—the period over which the percent good factor (depreciation) is spread. We want to revise it to five years, a more realistic view of the service life of these presses. The shorter the service life, the faster the press will depreciate—and that lowers a company's county personal property tax assessment.

A couple of years ago, our statewide government affairs office (Printing Industries of California) worked with the State Board of Equalization (BOE) to revise the estimated service life and percent good factor for lithographic presses. We succeeded and were able to create a separate index for these presses, shorten the service life, accelerate depreciation, and reduce the personal property tax on lithographic presses.

We now want to do the same for digital presses. The BOE has agreed to work with us on this project and, if we get adequate data, create a separate percent good table.

Here's where we need your help. We need to identify printers who have HP Indigo presses and who are willing to help us in this effort.

If you have an HP Indigo press, please contact Gerry Bonetto at (323) 728-9500, ext. 248 or gerry@piasc.org.

Hazardous Waste Generators

Often there is confusion whether a company needs a federal or California I.D. Number for generating hazardous waste. If you generate more than 1 kilogram (2.2 lbs) of Resource Conservation and Recovery Act (RCRA) acutely hazardous waste per month or more than 100 kilograms (220 lbs) of other RCRA waste per month, you must get a USEPA ID Number.

If you generate one kilogram (2.2 lbs) or less per month of RCRA acutely hazardous waste kilograms or 100 kilograms (220 lbs) or less of other RCRA waste or, and meet certain other requirements, you are exempted by U.S. EPA from many of its regulations, including the requirement to have an EPA ID Number. These businesses are called "conditionally exempt small-quantity generators", or CESQGs. The regulatory citation is 40 CFR Section 261.5.

California regulations, however, do not have an equivalent small quantity generator exemption. Almost all business generators of hazardous waste in California that are not required to have a U.S. EPA ID Number must, in practice, have a California ID Number. See California Code of Regulations title 22, section 66262.12. There are exemptions from the California ID Number. They include:

- Generators handling only hazardous waste produced incidental to owning and maintaining their own place of residence do not need an ID Number.
- Businesses whose ONLY hazardous waste generation is 100 (220 lbs) kilograms or less per month of waste that is hazardous solely because of its silver content ("silver-only waste") do not need an ID Number.
- Businesses that generate ONLY universal waste (fluorescent lamps, batteries, mercury wastes, etc.) and manage it as such also do not need an ID Number.

In short, if you generate only non-RCRA hazardous wastes, or you generate less than 100 kilograms (220 lbs) of RCRA hazardous waste per month or less than 1 kilogram (2.2. lbs) of RCRA acutely hazardous waste, you must get a California ID Number.

Clean Air Act Fee

Section 185 of the 1970 Clean Air Act set a non-attainment fee on companies that have the potential to emit more than 10 tons VOC per year. The trigger date for several air districts in California was 2010, including the South Coast, San Joaquin, and Sacramento districts.

The fee impacts over 50 printers statewide, so we are heavily involved in this issues as well as a party to the litigation surrounding it.

The fee is determined as follows: A company takes its 2010 VOC emission and reduces it by 20 percent. This number becomes the company's new baseline, and VOC emissions over this baseline will cost nearly \$9,350 this year, and will increase with the consumer price index each year thereafter.

After nearly one year of negotiations by various business sectors, including the printing industry, the South Coast proposed to use alternative funding sources to replace fees that would be otherwise paid by stationary sources on a dollar for dollar basis through the year 2020.

The approach was opposed by environmental groups, which sued the South Coast, saying this approach violated Section 185 of the Clean Air Act.

In the last week of September 2012, US EPA approved South Coast Air Quality Management District (SCAQMD) Rule 317, "Clean Air Act Non-Attainment Fee," as a revision to SCAQMD's portion of the California State Implementation Plan (SIP).

USEPA's approval of the South Coast approach opens the door for other air districts to find alternative ways in which to offset the fees of Section 185.

Tax on Tribal Governments

Regulation 1616 (Federal Areas) was recently amended to provide "a limited exemption" from tax for sales to and purchases by Indian tribal governments. Previously, one of the conditions for exemption was that the property be delivered in Indian Country, on the reservation.

Now tribes who lack a reservation or adequate services or facilities on the reservation to conduct tribal business may qualify for exemption from sales or use tax on their purchases of tangible personal property if all of the following requirements are met:

- The tribe is federally recognized.
- The property is purchased by the tribal government for use in tribal self-governance.
- The property is delivered to the tribal government and ownership of the property transfers to the tribal government at the principal place where the tribal government meets to conduct business, and
- The property is not exempt from use tax if it is used for purposes other than tribal self-governance more than it is used for tribal self-governance during the first 12 months following delivery.

A list of qualifying tribes and locations can be found on the Board of Equalization website page dedicated to American Indian Tribal Issues at www.boe.ca.gov/sutax/indianLandSales.htm.

The list may be used by vendors to verify if the tribe and delivery location qualify for the exemption. The page also provides additional information on tribal issues and includes links to applicable regulations and our recently issued special notice regarding this new limited exemption.