



Member Associations of

**PRINTING INDUSTRIES OF CALIFORNIA**

Printing Industries Association of **Southern California**  
Phone: (323) 728-9500 Web: [www.piasc.org](http://www.piasc.org)

Printing Industries Association of **San Diego**  
Phone: (858) 800-6900 Web: [www.piasd.org](http://www.piasd.org)

(formerly Printing Industries of Northern California) **Visual Media Alliance**  
Phone: (415) 495-8242 Web: [www.visualmediaalliance.org](http://www.visualmediaalliance.org)

### Headline Summary

- Printing Industries Launches Website
- Remember: New Minimum Wage
- Sale to American Indians
- Manufacturing Tax Exemption
- SCAQMD's Amended Graphic Arts Rule
- Legislation Moves

## Remember: New Minimum Wage

In 2013, legislation passed raising the California's minimum wage of \$8 per hour by two, one-dollar increments:

- \$9 per hour, effective July 1, 2014; and
- \$10 per hour, effective January 1, 2016

The minimum monthly salary for most exempt executive, administrative and professional employees is no less than two times the state minimum wage for full-time employment \$3,120 per month beginning July 1, 2014. (To calculate this amount, multiply the state minimum wage 40 hours per week times 52 weeks (equals \$18,720 yearly) times 2 (equals \$37,440) divided by 12 months (equals \$3,120 monthly).

# WatchDog

Guarding the Business of Print

July 2014

## Printing Industries Launches Website

Printing Industries of San Diego, Printing Industries of Southern California, and Virtual Media Alliance announces the launching of a new website, bringing together, in one place, tools and information to help members comply with regulatory, technical, and legal issues.

The website will be maintained by the three associations' government affairs office Printing Industries of California (PIC) and easily accessible through a link on your affiliate's website under *Graphic Arts Resource Center*.

The material on the website is grouped into five categories for easy access:

- Business/Technical
- Environmental
- Human Resources
- Safety
- Sales Tax

Each category is further divided by subject matter (e.g., under Human Resources there are twelve sub-categories, such as pre-employment, employment, legally required brochures and postings, and terminations).

The 'Get Involved' section is where members can respond to a "call to action" from your associations, enabling them to email their representatives a form letter prepared by PIC staff on proposed legislation that could impact the graphic arts industry in either a positive or negative way.

"Strength in numbers" is PIC's motto. By serving as a bridge between the association's members, statewide public officials, and utilizing effective grassroots campaigns, PIC provides its members with a voice and advocacy on legislative and regulatory issues that affect their bottom line.

The website can be accessed from you association's website.

## Sale to American Indians

Sales tax generally applies to sales by retailers to Indian purchasers. However, if the following conditions are met, the sale may qualify as exempt from sales tax:

- The retailer transfers ownership of the merchandise to an Indian purchaser in Indian country,
- The retailer delivers the merchandise in Indian country, and
- The Indian purchaser lives in Indian country.

The contract of sale cannot transfer ownership of the merchandise to the Indian purchaser before the merchandise is delivered in Indian country and the Indian purchaser cannot take possession of the merchandise before delivery to the reservation. Typically, the merchandise will be delivered by facilities of the retailer.

# Manufacturing Tax Exemption

For the period beginning July 1, 2014, through December 31, 2016, the state has adopted a partial sales and use tax exemption for the purchase or lease of manufacturing equipment. The exemption will reduce the state sales and use tax rate from 7.5% to 3.3125%. The exemption does not apply to any local, city, county, or district taxes, which would have to be added to the 3.3125 state rate.

In late April, the Board of Equalization (BOE) Tax Committee approved for publication the partial sales and use tax exemption regulation for purchases of manufacturing equipment. The final draft of Proposed Regulation 1525.4 can be found at <http://www.boe.ca.gov/meetings/btc2014.htm>.

Businesses can take advantage of the exemption beginning July 1<sup>st</sup>. The BOE will consider the approved regulation at its next Board meeting on July 17, 2014.

Sellers that make qualifying sales or leases must obtain a timely exemption certificate from the purchaser or lessee. You will be able to claim the deduction for sales subject to the manufacturing exemption on your sales and use tax return.

Purchasers do not need to apply to the BOE for the exemption. When you make qualifying purchases outside California, you must provide the seller with a timely exemption certificate to obtain the reduced tax rate.

If you make a qualifying purchase and did not pay use tax to the seller, you must report the use tax at the partial rate on your sales and use tax return. Use line 2 on your sales and use tax return to report use tax on out-of- purchases.

If you purchase equipment and need a copy of the exemption certificate, please call Gerry Bonetto at (323) 728-9500, Ext. 248.

## SCAQMD's Amended Graphic Arts Rule

The Executive Board of the South Coast Air Quality Management District (SCAQMD) voted unanimously on May 2nd to adopt proposed three amendment to the Rule 1130 (Graphic Arts). Those include new VOC limits for fountain solution, new standard for emission control systems, and manufacturer prohibition of sales of materials above the VOC limits in Rule 1130.

Companies with emissions control devices already comply with the new standards, according to SCAQMD staff. The VOC content of fountain solution, as applied, must meet the new standards below beginning July 1, 2014.

FOUNTAIN SOLUTION	VOC CONTENT LIMITS	
	Grams of VOC Per Liter of Material	
	1/1/2000 g/L	7/1/2014 g/L
<u>Heatset Web-Fed</u>		
Using Alcohol without Refrigerated Chiller	80	16
Using Alcohol with Refrigerated Chiller	100	30
Using Alcohol Substitute	80	50
<u>Sheet-Fed</u>		
Using Alcohol without Refrigerated Chiller	80	50
Using Alcohol with Refrigerated Chiller	100	85
Using Alcohol Substitute	80	50
<u>Non-Heatset Web-Fed*</u>		
Using Alcohol Substitute without Refrigerated Chiller	80	50
Using Alcohol Substitute with Refrigerated Chiller	80	50

\*The use of alcohol containing fountain solutions is prohibited for use in non-heatset web-fed operations.

## Legislation Moves

As the legislature closes in on the end of the session, several anti-business bills are still alive. Below are two that we are closely following.

**AB 2416** (Stone; D-Scotts Valley) creates a dangerous precedent in the wage and hour arena by allowing employees to file liens on an employer's real or personal property, or property where work was performed, based upon alleged-yet-unproven wage claims.

The bill has passed the Assembly, the Senate Labor and Industrial Relations, and awaits hearing in the Senate Appropriations Committee. The bill will have a negative impact on California businesses by allowing an employee, governmental agency, or anyone "authorized by the employee to act on the employee's behalf" to record liens on an employer's real property or any property where an employee "performed work" for an alleged wage claim.

**AB 1522** (Gonzalez, D-San Diego) requires all employers to provide all employees in California with paid sick leave. The bill threatens employers with statutory penalties, treble damages and liquidated damages for alleged violations.

The bill has passed the Assembly, the Senate Judiciary, and awaits hearing in the Senate Appropriations Committee. While many employers offer sick leave to full-time employees, the bill extends mandated paid sick leave for temporary, seasonal and part-time employees.

