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TRANSPORTATION BILL LIKELY TO BE PUNTED INTO NEXT YEAR

Before the House adjourned for August recess, House Transportation and Infrastructure Committee Ranking Member John Mica (R-FL) said that the expected Republican Congressional gains this fall will give him greater influence when writing a highway funding bill next year. It is very unlikely that Senate Majority Leader Harry Reid (D-NV) and House Speaker Nancy Pelosi (D-CA) will have the appetite to tackle a transportation bill before the November elections or during the lame duck session which is slated to start November 15.

The House Transportation Committee passed a six-year highway bill last year, but House leadership has not brought the bill to the floor. Furthermore, the Senate Environment and Public Works Committee has not passed a six-year reauthorization of the highway bill and will likely wait to take up the issue until next year. Transportation Chairman Oberstar included a gasoline tax increase in the Committee's highway bill which did not sit well with the Obama Administration. Transportation Secretary Ray LaHood has repeatedly said that the administration will not support a gasoline tax hike during a recession. Additionally, Ranking Member Mica said that raising the current gasoline tax is "dead" and he is looking at other options to fund the depleted Highway Trust Fund. Ranking Member Mica indicated that if the transportation bill has any chance of passing next year, it will have to be introduced by mid-February 2011 before it can get caught up in 2012 presidential race partisan politics.

Federal motor fuel excise taxes have been the dedicated source of funding for the Federal Highway Trust Fund since 1956. The current federal excise tax for gasoline is 18.4 cents-per-gallon and 24.4 cents-per-gallon on diesel fuel. Revenue has been down in recent years because motorists have bought fewer fuels and vehicle fleets have become more fuel efficient, which required Congress to inject eight billion dollars from the Treasury's general fund in 2008 and another seven billion dollars in 2009.

EXPECT A BUSY LEGISLATIVE AGENDA AFTER AUGUST RECESS

When Congress returns from August recess, House and Senate leadership are expected to push several pieces of legislation, most notably, oil spill/energy tax legislation, Bush era tax cuts, and small business lending legislation. The Senate will be in session from September 13 through October 8 and then depart to campaign for the mid-term elections which are November 2. Congress will return for a lame-duck session starting November 15. First on the Senate agenda will likely be the small business lending bill which was stalled for several weeks in July because Majority Leader Harry Reid (D-NV) and Senate Minority Leader Mitch McConnell (R-KY) were unable to reach agreement on amendments. Two amendments that are still on the table are the critical biodiesel tax credit extension, and the repeal of the 1099 reporting requirement which will require businesses to issue 1099 forms to any vendor who they purchase over \$600 in goods and services in a tax year.

The Bush-era tax cuts are another major legislative issue which will expire at the end of the year. Democrats have said that they want to extend the tax cuts for the middle class, but allow the top tax cut rate to expire. Democrats will also have to pass the 12 appropriations bills for fiscal year 2011. However, it is likely that Senate Majority Leader Reid (D-NV) and Speaker Nancy Pelosi (D-CA) will agree to a Continuing Resolution to fund the government at current levels through February or March 2011.

1099 REPEAL PROVISION TO BE CONSIDERED FOLLOWING AUGUST RECESS

Last week, the Senate adjourned for August recess leaving the small business bill in limbo until September. Senate Majority Leader Reid (D-NV) and Minority Leader McConnell (R-KY) were unable to reach an agreement on amendments allowed for consideration to the Small Business Lend Act of 2010 (H.R. 5297) – a couple of which were very important to petroleum marketers. PMAA continues to push Congress to allow Senator Chuck Grassley's (R-IA) biodiesel blenders' tax credit amendment to be considered on the floor as well as Senator Mike Johanns' (R-NE) amendment to repeal Section 9006 of the "Patient Protection and Affordable Care Act" (healthcare reform law, P.L. 111-1480) that mandates all companies to issue 1099 tax forms not just to contract workers but to any individual or corporation from which they buy more than \$600 in goods or services in a tax year.

When the law goes into effect in 2012, the 1099 reporting requirement will impose substantial paperwork and reporting burdens on all small businesses which will dramatically increase accounting costs, impose unjustified audits by the IRS, and subject more small businesses to the challenges of electronic filing. As an attempt to compromise, Senator Bill Nelson (D-FL) introduced a second 1099 reporting requirement amendment which increases the payment threshold to \$5,000 (up from \$600) for the year for payments made to vendors, and his language would exempt businesses with 25 or fewer employees from having to issue a Form 1099 for payment to vendors.

PMAA supports full repeal of the 1099 reporting requirement via the amendment sponsored by Senator Johanns and urges you to reach out to your Senators over August recess because action on 1099 repeal will likely happen in the Senate first. Leading the repeal effort in the House is Congressman Dan Lundgren (R-CA), who has introduced H.R. 5141, the "Small Business Paperwork Mandate Elimination Act."

REPORT: ALTERNATIVE FUELS FACE SIGNIFICANT OBSTACLES TO REPLACE A FOSSIL FUEL BASED ECONOMY

A scientist at the Lawrence Berkeley National Laboratory released a report this week that highlighted nine challenges facing alternative fuels. The report gives a detailed look at alternative fuels such as biodiesel, ethanol, electric cars, wind, solar, and tar sands and explains what obstacles are still in the way for their success. The scientist, David Fridley, who is a fellow at Post Carbon Institute, argued that society is still bound to a fossil fuel-based supply chain, which hinders the ability for alternative fuels to expand. The nine areas Mr. Fridley found included: scalability and timing; commercialization; substitutability; material input requirements; intermittency; energy density; water; the "Law of Receding Horizons;" and energy return on investment.

According to Fridley, policymakers often put too much emphasis on reducing the carbon content of fuels which hinders the ability for viable alternative fuels to succeed in a petroleum-based economy. Tar sands have come under scrutiny in recent years because of the carbon content of the fuel, although it would reduce America's dependence on foreign oil and lower oil prices.

NEVADA: BE AWARE OF THE TAXABILITY OF DIETARY SUPPLEMENTS AND ENERGY DRINKS - CONVENIENCE STORES, SUPERMARKETS, GROCERY STORES, AND GYMS

Marketers selling water, vitamin and energy drinks in Nevada - BEWARE - If you are selling drinks labeled "supplement" it MUST be taxed. Recently, a member was subjected to a sales tax audit. Failure to collect sales tax for "supplement" drinks was cited. Please see below:

Also note that the Department of Taxation currently has a sales tax amnesty program in effect until September 30th. Details at <http://tax.state.nv.us/amnesty.htm>

Nevada Revised Statute (NRS) 372.284 defines what is considered a non taxable food items and specifically excludes prepared food intended for immediate consumption, tonics and vitamins. NRS 360B.495 construes vitamins and tonics to be dietary supplements and NRS 360B.430 defines dietary supplements to mean any product, other than tobacco, intended to supplement the diet that:

1. Contains one or more of the following dietary ingredients:
 - (a) A vitamin;
 - (b) A mineral;
 - (c) An herb or other botanical;
 - (d) An amino acid;
 - (e) A dietary substance for use by humans to supplement the diet by increasing the total dietary intake; or
 - (f) A concentrate, metabolite, constituent, extract or combination of any ingredient described in paragraphs (a) to (e), inclusive;
2. Is intended for ingestion in the form of a tablet, capsule, powder, softgel, gelcap or liquid or, if not intended for ingestion in such a form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and
3. Is required to be labeled as a dietary supplement in accordance with 21 C.F.R. § 101.36.

Dietary supplements are not tax exempt and retailers of dietary supplements must charge sales tax on the item. FDA regulates dietary supplements under a different set of regulations than those covering "conventional" foods and drug products. Dietary supplements may be packaged to look like a soda, a bottle of water, or an energy drink; however, FDA regulations require that certain information appear on dietary supplement labels. Using this "supplemental" label is the easiest way of identifying a dietary supplement versus a conventional food product. Information that must be on a dietary supplement label includes: a descriptive name of the product stating that it is a "supplement;" the name and place of business of the manufacturer, packer, or distributor; a complete list of ingredients; and the net contents of the product. In addition, each dietary supplement must have nutrition labeling in the form of a "Supplement Facts" panel. This label must identify each dietary ingredient contained in the product.

2011 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA

Start planning now to attend the 2011 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 22-24, 2011.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2010

August 31-September 1, 2010 – NMPMA Convention – Embassy Suites, Albuquerque, New Mexico

September 8-10, 2010 – UPMRA Convention – Park City Marriott – Park City, Utah

September 22, 2010 – NPM&CSA Petro Cup Challenge – Ultimate Rush Park, Reno, Nevada

Petro Pete: “If at first you don't succeed, destroy all evidence that you tried.”

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Classified Ads

FOR SALE

1985 KENWORTH CONVENTIONAL CAB



- 13 SPEED FULLER TRANSMISSION
- 400 CUMMINS ENGINE
- TRUCK COMPARTMENTS: 2400 GAL, 2600 GAL (BEALL)
- PUMP OFF ABILITY
- ONE OWNER, LESS THAN 410,000 ACTUAL MILES
- EXCELLENT CONDITION
- 1972 BEAL TRAILER – 2 AXLE
- TRAILER COMPARTMENTS: 2500 GAL, 2500 GAL (BEALL)
- EXCELLENT CONDITION
- TRUCK AND TRAILER SOLD TOGETHER
- \$45,000

BAIRD OIL COMPANY (208) 375-7767

TANKER TRAILER FOR SALE



- 2008 Heil 11,000 gallon
- 3 axle trailer with lift able rear axle
- 4 compartments 4500-2100-1400-3000
- Street side/curbside unloads
- 6 hose tubes and large box for fittings
- All Tests and Certs are current
- Trailer located in Ogden, Utah
- Trailer Available July 2010
- Pictures Available upon request

Asking \$85,000.00 of Best Offer

Ryan Murdock
Kellerstrass Oil Company
801-392-9516 ext 26

TANKWAGON FOR SALE



- 2003 Freightliner M2106 with 160,000 miles
- 3126 Cat Motor with Eaton Fuller 7 speed transmission
- 2003 Almac Tank 2700 gallons
- 5 compartments 700-600-500-500-400
- Dual Pumping system with 3 reels
- All Test and Certs are current
- Truck is located in Ogden, Utah
- Pictures available upon request

Asking \$60,000.00 or Best Offer

Ryan Murdock
Kellerstrass Oil Company
801-392-9516 ext 26