

January 4, 2013

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WP-01-04-13

RESERVE YOUR ROOMS AT THE MIRAGE FOR THE 2013 WPMA CONVENTION NOW!

If you are planning to attend the WPMA 2013 Trade Show and Convenience Store Expo you should book your rooms now. **The WPMA room block ends on January 16, 2013.**

SPEAKER BOEHNER REELECTED

Rep. John Boehner (R-OH) needed 218 votes to remain Speaker of the House – he received 220 votes in the affirmative. Twelve Republicans either opposed him, voted present or abstained while House Minority Leader Nancy Pelosi (D-CA) received 192 votes. Speaker Boehner has been criticized by some conservatives in the House after agreeing to take up the Senate-passed “fiscal cliff” compromise rather than amending it with additional spending cuts and sending it back to the Senate.

REFINERS FIGHT CELLULOSIC ETHANOL MANDATE

On Monday, the American Fuel & Petrochemical Manufacturers (AFPM) petitioned EPA to waive the RFS’s 2012 cellulosic ethanol fuel requirement. This follows a lawsuit filed by AFPM and the Western States Petroleum Association (WSPA) with the D.C. Circuit Court challenging EPA’s decision to require refiners to blend cellulosic ethanol or pay the agency for waiver credits due to the inability to blend these non-existent fuels under the RFS. EPA’s own data has shown that no cellulosic fuel has been commercially available in 2011 and 2012 forcing refiners to purchase renewable fuel credits that don’t exist.

The Clean Air Act requires EPA to establish the appropriate amount of cellulosic biofuel that should be mandated each year based upon the amount of fuel it expects to be available in the marketplace. EPA’s 2012 rule required refiners and importers of gasoline and diesel to blend 8.65 million gallons of cellulosic biofuels into the fuel supply, despite the fact EPA’s own tracking system indicates that only 20,069 gallons of cellulosic fuel was commercially available in 2012. Refiners contend that most of the cellulosic fuel was exported.

The RFS 2012 compliance date concludes on February 28, 2013, therefore, refiners have asked EPA to respond before that date to provide certainty. Congress gave EPA authority to waive RFS requirements when there is an inadequate supply of domestic biofuel.

FISCAL CLIFF DEAL – WHAT IT MEANS FOR MARKETERS

On January 1, the House approved a bill to avert the fiscal cliff by a vote of 257-167. Earlier that day, the Senate passed the measure which was largely negotiated by Vice President Joe Biden and Senate Minority Leader Mitch McConnell (R-KY). The President signed the bill into law on Wednesday.

The bill entitled, the “American Taxpayer Relief Act of 2012,” postpones for two months the sequestration of FY 2013 spending scheduled to occur this month, and replaces it with a combination of other spending cuts and revenue increases. It also extends through September 30, 2013 most federal farm programs and policies. CBO estimates the bill would increase the deficit by \$3.97 trillion over 10 years when compared to its current law baseline.

Importantly for many petroleum marketers, the bill extends the one-dollar-per-gallon biodiesel blender’s tax credit through 2013 and applies it retroactively for 2012. PMAA is working with the IRS on the procedure marketers must follow to submit 2012 retroactive biodiesel blender credit claims and will follow up with a Regulatory Report on the process.

It permanently extends the Bush-era income tax rates for taxpayers making less than \$400,000 and \$450,000 for couples while allowing tax rates to rise from 35 to 39.6 percent for income over these levels. Fortunately, the estate tax rate exemption remains at five million; however, the tax rate increases from 35 to 40 percent, the Estate Tax language is permanent. The fiscal cliff deal includes a permanent patch to the alternative minimum tax (AMT) while delaying the automatic spending cuts to defense and discretionary programs for two months. The business depreciation deduction, Section 179, is extended for one year but set to revert to pre-2001 levels without indexing in 2014. The accelerated bonus depreciation is extended for one year.

The American Taxpayer Relief Act also re-imposes the pre-Bush era Personal Exemption Phase-out (PEP) and the itemized deduction limitation for joint incomes at \$300,000 and individuals at \$250,000. Capital gains and dividends tax rates are permanently set at 20 percent for incomes above \$450,000/\$400,000 and kept at 15 percent for those below. This is in addition to the 3.8 percent tax on capital gains and dividends included in the Obama healthcare law. The Obama tax cuts (Work Opportunity Tax Credit, Child Credit, Earned-income Tax Credit) are extended for five years. The Social Security (FICA) payroll tax holiday has expired and returns to the 6.2 percent rate, while unemployment benefits are extended for one year.

The bill also extends the Section 25C Home Efficiency Tax Credit thru 2013 (without a change to the \$150 credit limit for heating appliances and without a change to 95+ AFUE requirement for oilheat appliances) and the tax credit for alternative fuel vehicle refueling property.

The 113th Congress convened at noon on Thursday. Now that income tax rates have been settled and budget sequestration averted for the next two months, this sets up another spending cut showdown between the GOP-controlled House, the Democratic-controlled Senate and President Obama. House and Senate Republicans have vowed to use the next "fiscal cliff" and raising the nation's borrowing limit debate as a negotiating tool to attain deep entitlement and discretionary spending cuts. Congress must also fund the government which is currently operating under a Continuing Resolution (CR) which expires on March 31, 2013. It's unclear how the debate will play out, but it's expected that another intense partisan fight over spending cuts will ensue.

MARKETERS PLEASE BE AWARE!

Marketers, this is a warning that card reader skimming devices are still a problem. Below is a card reader skimming device that was found in Treasure Valley, Idaho on Friday, December 28, 2012.



WPMA 2013 NATIONAL CONVENTION & CONVENIENCE STORE EXPO SPONSORS
February 19-21, 2013 • Mirage • Las Vegas, Nevada



2013 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA



Start planning now to attend the 2013 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 19-21, 2013.

Access the WPMA National Convention page by scanning the QR code on the left with your smart device.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2013

February 27, 2013 – Utah (UPMRA) Day on Capitol Hill - Utah Capitol Building - Salt Lake City, Utah

May 9-10, 2013 – NPM&CSA Big Dogs' Shootout – Red Rock Hotel & Casino – Las Vegas, Nevada

June 4-6, 2013 - Montana (MPMCSA) Convention - Holiday Inn Grand - Billings, Montana

June 17-20, 2013 - Washington (WOMA) Convention - Suncadia Lodge - Cle Elum, Washington

July 31-August 2, 2013 - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, Idaho

August 27-28, 2013 – New Mexico (NMPMA) Convention – Albuquerque Marriott Pyramid North, Albuquerque, NM

September 12-13, 2013 - Utah (UPMRA) Convention - Zermatt Resort - Midway, UT

Petro Pete: “*I bought a book on obedience seven years ago, but it turns out the dog is a slow reader.*”

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If you do not wish to receive information via fax or e-mail, please contact WPMA at: (801) 263-9762, Fax: (801) 262-9413, or e-mail: janr@wpma.com.
Thanks.





Date of Event: *February 19 - 21, 2013*
SCHOLARSHIP FOUNDATION
SILENT AUCTION DONATION FORM



The WPMA Scholarship Foundation needs your help!

Please support the WPMA Scholarship Program by donating generously to the Scholarship Foundation Silent Auction at the WPMA and Convenience Store Expo in Las Vegas on **February 19 - 21, 2013**.

You are donating to a very worthy cause — the education of our future leaders. Your donation is tax deductible and your company will also receive name recognition and exposure!

Your name will be listed:

- ✓ **In the 2013 Convention Program**
- ✓ **On scholarship signage at the convention**
- ✓ **In the Silent Auction brochure that is distributed in all convention attendee packets**
*(if donation is received before **February 1, 2013**)*
- ✓ **On a sign next to the item in the Silent Auction**
- ✓ **In the 2013 Post Convention *WPMA News Magazine***

Company Name: _____

Name of person making contribution: _____
*(Please check box if individual name is to be listed **instead** of company name in brochure and on signage)*

Address: _____

Phone: (____) _____ Fax: (____) _____

E-mail: _____

I would like to donate:

\$ _____ Cash directly to the Scholarship Foundation

An item for the Silent Auction (if box is checked ✓ please fill in 1-3)

1. Item to be donated: _____

2. Description of item (details for silent auction brochure - style, make, etc.): _____

3. Approximate market/retail value of item: _____

Return form via **fax** to Kathy at WPMA: (801) 262-9413, **e-mail** to kathym@wpma.com,
or **mail** to: WPMA, Kathy Michaelis, PO Box 571500, Murray, UT 84157-1500

The WPMA Scholarship Foundation has been designated a 501 (c) (3) charitable foundation by the Internal Revenue Service. ***Donations are tax deductible.***