

# news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

## NPES Explores Opportunities in South China

Located on the banks of the Pearl River on the outskirts of Guangzhou, China is the China Import & Export Fair Pazhou Complex which is a large, ultra-modern facility that hosts the Printing South China trade show. NPES hosted a trade mission in conjunction with the show that took place from March 9-12 and coupled a visit to the show with plant visits in Guangzhou and Shanghai.

**Nick Bruno**, President of Harris and Bruno and **Kevin McLaughlin**, President of Flexo Concepts joined NPES China Representative, **Ya-Ping Zhou** and NPES VP Global



Kevin McLaughlin, President, Flexo Concepts and Nick Bruno, President, Harris and Bruno, outside the hall for Printing South China 2010.

**INSIDE:**

Chairman's Perspective ..... 2

GRAPH EXPO 2010  
MUST SEE 'EMS' ..... 4

Market Intelligence News:  
UCC Filing Update ..... 4

NPES Supports Repeal of  
FORM 1099 Mandate ..... 5

Six Essential Steps to  
Trade Show Sales Success ..... 6

TAX TALK: The Patient  
Protection and Affordable  
Health Care Act ..... 7

News and Notes ..... 8

Programs, **Kip Smythe** to better understand the opportunities in South China.

Located in Guangdong province, Printing South China had a heavy emphasis on package and label printing which mirrors the composition of the printing industry in the region. According to Li Jiong, the Vice-General Secretary of the Guangdong Printing and Replicating Industrial Association, "there are about 19,000 total printing companies in the province and about 10,000 of those printers are involved in packaging

related print products." The total production of those packaging printers was 140 million RMB (\$20,487,305 US) of which about 40 million RMB (\$5,853,515 US) was exported, mainly to other adjacent Asian countries. About 60% of the output is folding cartons, 10% corrugated, 10% flexible packaging, 10% labels and 10% miscellaneous packaging.

Clearly, packaging is the main focus of the printers in the region, however there are printing firms that concentrate on books and other printed prod-

ucts, and our visit to the Leo Paper Group Heshan Astro Printing Plant provided us with a glimpse of how fast China's printing industry has grown. After a 2.5 hour ride to the outskirts of Guangzhou, we arrived at what we immediately recognized as a printing plant that was its own little city. High rise apartments to house the workers, a fire department, a medical facility, movie theatre, playgrounds, soccer fields, and basketball courts were all part of this enormous facility. The main

Continued on page 2

# chairman's perspective

## D.J. Burgess

NPES Chairman

Burgess Industries, Inc.

### Life Lesson: No Matter What, Never Ever Give Up!



Back in '75 as a 112 lb. high school freshmen wrestler, I learned one of the most important lessons of my life when I was pinned in the second period with two seconds remaining... "No matter what, never ever give up!"

Wrestling is one of the world's oldest sports originating with the ancient Greeks and was even part of the first Olympiad. It is a sport built on endurance, strength and unflinching willpower. Two opponents of equal weight face off, one-on-one. They battle each other in close physical combat for three intense two-minute periods, and then shake hands like gentlemen (most of the time) and exit the mat. The only way to win is by using one's instincts, force and sheer determination to either pin (hold your opponent's shoulder blades to the mat) or outscore them through other various qualifying moves.

I was wrestling Brian Johnson, of the infamous Johnson Brothers from Osseo, Minnesota, a tall skinny senior and three-time state champ. As Bill Cosby use to say, "He was so tough, he would wear his pants backwards." The winner of our match would advance to Regionals and then, hopefully, go onto the State competition. This was a BIG DEAL for me as a freshman, but even a bigger deal for Brian since it was his senior year.

The score was tied 3 to 3 after the first period. The battle was intense, strategic and fierce, as each of us fought for domination and control over our opponent. There are no time-outs between periods, so we immediately began the second period with me in the down (defensive) and Johnson in the up (offensive) position.

Johnson started cross-body leg riding me and within 20 seconds of the second period, I was tied up falling backwards with my shoulders facing the mat. My head, neck and legs were stretched and twisted in the opposite direction of my lower back (a full abdominal stretch). I found myself in the most severe and painful wrestling hold you can imagine, appropriately called "The Guillotine."

My left shoulder was dead flat on the mat, but the right one was pulled up and away because my elbow was hooked around the outside of Johnson's neck and my hand caught under his lower

back. His technique and body length would not allow both of my shoulders to lie flat on the mat for the pin. With a minute and 40 seconds left in the period, I was in real trouble.

For the next 98 seconds while gasping for air, paralyzed in pain, and overwhelmed by fear, I was physically stuck, but so was my opponent because of my lifted right shoulder, until the referee finally slammed his hand down on the mat and yelled "Pin!" with a lousy two seconds remaining.

Here's the life-lesson learned...I allowed fear and circumstances to overpower my determination and ability to win. Instantly, my inner spirit changed from the will to succeed, to panic and a desire to end the pain at any cost. By giving up, I lost the opportunity to change my circumstances and the outcome. Giving up always means giving in to failure!

I knew my shoulder was stuck, because I tried putting it down. I cried "Uncle! I quit! Ref can't you see my shoulder's stuck? Ref, give it to him!" but no one cared or listened as the match continued on.

The funny thing is I could breathe and not feel pain when I fought back. My selfish outbursts to quit only brought pain and gasping for air; they were ignored by the ref anyway, and more importantly, encouraged my opponent even more to defeat me. Losing the match was secondary to me compared to the fact that I had tried giving up.

As I got up from the mat pondering my behavior and the ref's surprising reaction, I stared at the two remaining seconds on the clock with overwhelming disappointment, but accepting full responsibility for the outcome. It was then and there that I made a lifelong commitment to myself, and to others who would later enter my life—to never physically or mentally give up, no matter how fearful I was or difficult the circumstances...and 35 years later I remain true to that commitment.

Fear is our worst enemy. It cancels out our choices to change our circumstances and strips us of our God-given capacity and ability to be our best in any given moment. As the great Ralph Waldo Emerson once said, "Fear defeats more people than any other one thing in the world." How sad...but how true. Fear causes panic, anxiety, stress, worry, agitation and ultimately a lack of confidence. It stops people dead in their tracks from taking necessary action and making decisions.

Two years ago I would have said, "Adversity is no big deal, it is part of our everyday life." Today I say, "It's a really big deal and /S everyday life!" Adversity offers each of us fleeting, yet defining, moments of opportunity that we can choose to let pass us by—or grab onto with both hands.

As business leaders we have the responsibility to march forward with the courage, conviction and confidence to lead the people in our lives through their fears and difficult circumstances. We must help them believe in themselves and their purpose, so they can see past their fears to do not the easy thing, but the *right* thing.

This economy has touched everyone, at all levels and walks of life, but the signs are starting to point to better times ahead. Life is a gift. Savor every moment! Live it one day at a time, and do it without fear! And remember..."Two minutes of pain and gasping for air, is really no big deal!" ●

China, continued from page 1

production facility housed over 100 sheetfed offset presses (all at least 4-color and many perfecting too) in several buildings at this huge facility...5.7 million square feet huge, that is! The products printed by the 21,000 people who work there include:

- Books
- Games
- Bags
- Gift Items
- Packages

Founded in 1982, Leo Group leads the printing industry in China in protecting and preserving the environment. Leo has been complying with ISO 14001 certification requirements since 2001 when it first introduced "Replace, Reduce, Reuse, Renew and Recycle" policy. Leo works with suppliers to invest in more environmentally friendly sources of paper and voluntarily installed a state-of-the-art wastewater treatment plant at its Heshan plant. Leo continues to invest huge resources in making its production facilities a true GREEN printing plant.



The light show begins on the Bund.

Following our tour of the Leo facility we made our way back to Guangzhou and, of course, one of the main challenges in navigating around China is their infrastructure. Our ride back to Guangzhou took well over 4.5 hours due to the endless con-



Nick Bruno, President, Harris and Bruno, inspects an H&B Coater at Jielong Printing.

struction that is ongoing on their highways. But we all felt the long trip was well worth the aggravation on the highways to see this very impressive facility.

### Shanghai Guanghua Machinery and Jielong Printing

On Wednesday, the group spent the morning in meetings with potential dealers and distributors in the region and then departed Guangzhou for Shanghai. Most people view the printing machinery manufactured in China to be inferior in quality to U.S., German and Japanese manufactured products. Our visit to the Shanghai Guanghua Printing Machinery plant changed that perception for us. Owned by Shanghai Electric, which also owns NPES member **Goss Graphic Systems**, Shanghai

Guanghua manufactures its own line of sheetfed offset presses and in 2002 bought the Akiyama Bestech line of sheetfed presses. They claim to have manufactured over 325 of the 4-color models since that time. As of 2010, they are now manufacturing all of the J-Print perfectors at this plant with all components and parts made in China. Their goal is to become the #1 manufacturer of sheetfed presses in China. The plant was extremely sophisticated with the latest in machine tool technology and testing equipment. According to Cao Rui Lin, the General Manager Assistant of SGPM, China imports about \$1.2 billion of sheetfed presses each year, making a large potential market for their products. Clearly, NPES members making press accessories and compo-

nents such as coaters, dampeners, etc., have an opportunity in this large and expanding market.

Next stop was to diversified printer, the Jielong Group, which is located about 1.5 hours outside of Shanghai. The Jielong Group manufactures virtually any printed product from newspapers to books, packaging to variable data printing, and pizza boxes to aseptic packaging. Founded in 1973 by Fie Junde with 1000 RMB (about \$150) and an offset duplicator, Jielong Group today employs over 3,000 people at its 10 subsidiaries. During our tour, we saw sheet and web fed offset presses, flexo and corrugated presses and even variable data

brief visit to the Bund River area to see the amazing light show on the skyline of the financial district of Shanghai the third day of the mission came to an end.

The last day of the mission involved a visit to the Shanghai Printing Association to learn about the state of the industry in this region of China. Beijing, Shanghai and Guangzhou are the three largest print markets in China and according to PRIMIR data, the total Chinese market was \$62 billion in 2009 and is forecast to grow to \$96 billion by 2014. We left China with a strong belief that there are opportunities there for NPES members that could lead to significant

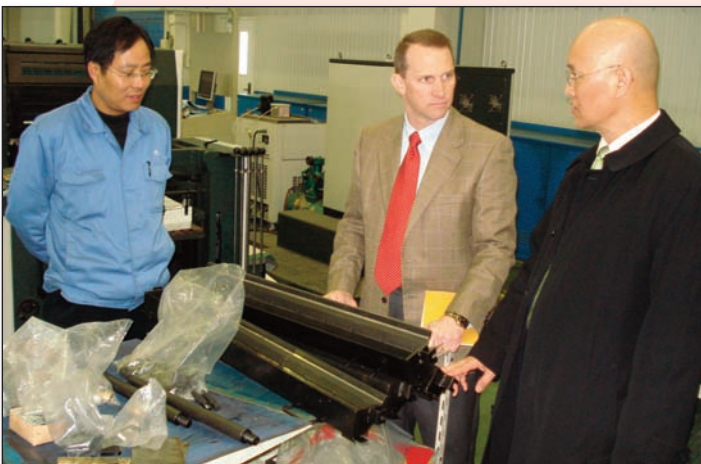


Press cylinders in various stages of production at Guanghua.

color digital presses. I'm not sure that I've ever seen a U.S. printer with as varied an arsenal of equipment. They employ the latest technology from CtP to digital color printing presses and would rival any large U.S. printing firm. In fact, they were awarded the Golden Prize in the 58th Premier Print Awards of the Printing Industries of America.

On our return trip to Shanghai, we drove past the site of the Shanghai World's Fair which is currently underway. At this point, there was much construction left to be done, but the work was completed on time and the Fair opened on schedule. After a

sales of U.S. products. According to **Kevin McLaughlin**, "I have been to China many times in the past but NPES was able to put a trip together which expanded my knowledge and exposure to the Chinese printing industry beyond anything I had previously experienced. We have had an active China strategy for several years and because of the NPES trade mission we have updated this strategy. This trip will change how we do business in China. In addition, due to the experience in China we have decided to send one of our key people on the upcoming Brazilian trade mission." ●

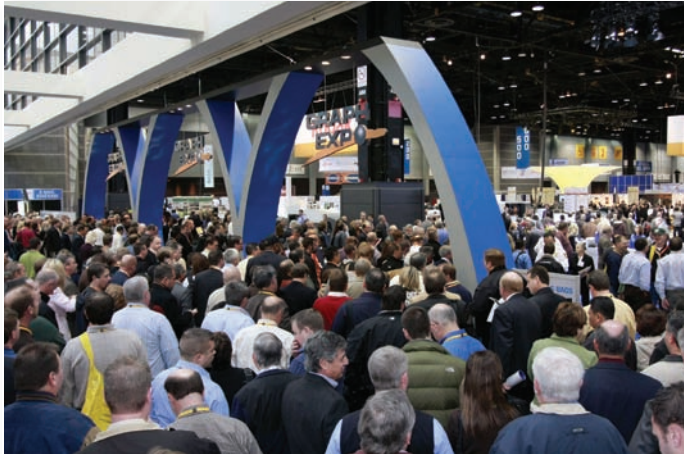


Kevin McLaughlin President, Flexo Concepts (c), discusses doctor blade technology with Cao Rui Lin (l) and NPES China Representative Ya-Ping Zhou (r).

# GRAPH EXPO 2010 MUST SEE 'EMS Program Welcomes Exhibitor Submissions

Which exhibits, technologies and products will be "musts" for show goers to see at GRAPH EXPO 2010 coming October 3-6,

2010 to Chicago, IL? How can exhibitors raise their visibility from among the hundreds of company displays filling the expansive South Hall of Chicago's McCormick Place?



The MUST SEE 'EMS program presented by the Graphic Arts Show Company (GASC) has provided the answer to these questions for more than a decade. For every GASC exposition, the program recruits a panel of

industry experts to review hundreds of submissions and identify the products and exhibits that show goers simply "must see," offering exhibitors a means to highlight for attendees and the industry media their most important innovations.

The MUST SEE 'EMS technology and product recognition program, conducted independently for the Graphic Arts Show Company by the PrintCom Consulting Group of Charlotte, NC, is a part of the

## Market Intelligence News: UCC Filing Update

The chart compiled from UCC data provided herein by Equipment Data Associates (EDA), shows up-to-date UCC (see definition below chart) activity for all printing equipment. Both new and used UCC filings continue to trend downward through April 2010 indicating continued weakness in the printing industry. Although UCC filings are a combination of new equipment sales, used equipment sales and refinancings of existing placements, they are still a strong indicator of market activity.

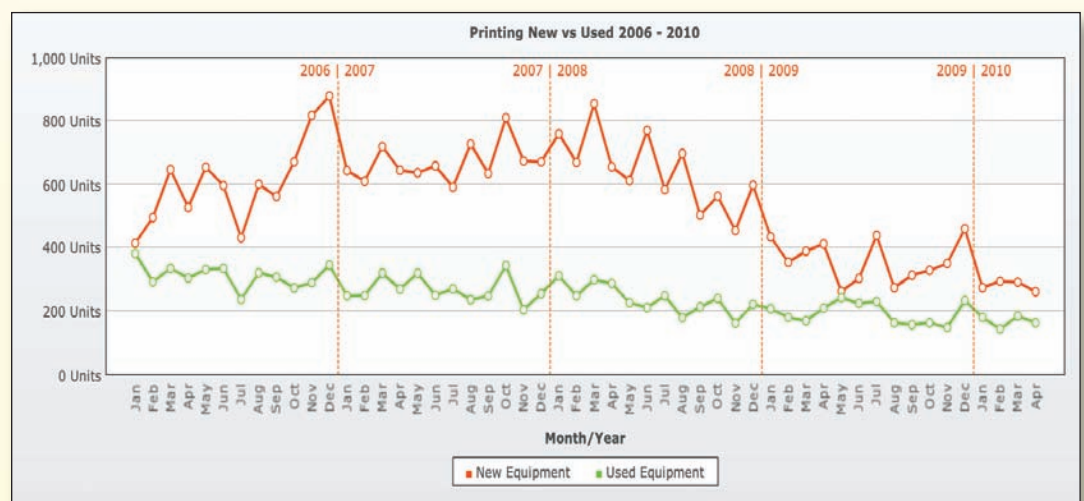
This information is extracted directly from EDA's comprehensive database of nearly 30,000 records for purchasers of printing equipment.

For each of the data points in the table, subscribers to EDA's market intelligence services can see exactly who purchased the piece of equipment—and the manufacturer and model. NPES member companies that participate in the free NPES Market Data program are eligible for significant discounts on EDA's services. By combining the critical purchaser information from EDA with the comprehensive market statistics, analysis, and forecasts provided by NPES' free Market Data program, participating NPES member companies can get a complete

picture of the current and anticipated future activity in the marketplace.

For more information, or to join the free NPES Market Data program, contact NPES Assistant Director for Market Data, Rekha Ratnam at phone: 703/264-7200 or e-mail: rratnam@npes.org. For specific information about the market intelligence services offered by EDA, contact Mauricio Jurin at phone: 704/845-1099 or e-mail: mjurin@edadata.com. ●

### Printing Equipment UCC Filings: 2006–2010



A Uniform Commercial Code Form 1 (UCC-1) filing is a financing statement required by law to be filed with the state to show that one party (usually a lender) has a security interest in another party's (usually a borrower's) personal property, and most frequently relates to the commercial financing of capital equipment through a lending institution. UCC data is filed everyday throughout the U.S. Each UCC data filing statement has three components: the borrower, the lender, and what the borrower purchased, including make, model and serial number. Once the data is filed, EDA's more than 50 employees manually review each filing to identify and correctly classify the transactions of printing equipment. What results is a robust database that offers subscribers continually updated information on exactly who is buying or leasing what pieces of equipment.

## EXECUTIVE OUTLOOK

Conference to be held on Saturday, October 2, 2010, the day before GRAPH EXPO opens. The Conference and the MUST SEE 'EMS program are chaired by PrintCom President William C. Lamparter. MUST SEE 'EMS honorees will be announced at the conclusion of the EXECUTIVE OUTLOOK Conference, published in the *Show Daily* newspaper, posted online, and also distributed in a variety of other forms.

Recognized as the commercial printing, publishing, mailing and transactional exposition for the Americas, GRAPH EXPO 2010 themed, "*The Next Generation of Print*," has been designed to offer a customized show-going experience for a diverse spectrum of attendees from 11 key market segments. Here, attendees will find seven special interest sections on the show floor including: the News Print pavilion, which makes its debut at GRAPH EXPO 2010 answering the call from newspaper printers and production executives for a dedicated show floor section; PackPrint, covering package printing; Future Print, featuring Printed Electronics and RFID; the Mailing & Fulfillment Center, the industry's largest mailing event anywhere in the Americas; the second annual GREENspace, a showcase dedicated to sustainability and eco-friendly products and services; the Prepress/Software-Design section; and, the Press/Finishing section.

For show visitors the selection of MUST SEE 'EMS products is a crucial aid in helping them prioritize their booth visits and assuring that will they see everything; making news at the show. For complete information about the MUST SEE 'EMS program including submission procedures and forms, visit: [www.mustseeems.com](http://www.mustseeems.com). ●

# NPES Supports Repeal of Form 1099 Mandate

**N**PES and over 100 other national trade associations have joined together in support of legislation introduced by Representative Dan Lungren (R-3-CA) that would repeal an expensive and burdensome new tax paperwork mandate used as a revenue raiser as part of the recently passed health care reform entitlement, the *Patient Protection and Affordable Care Act, Public Law 111-148* (visit: <http://www.npes.org/pdf/HR5141-sign-on-draft-1099.pdf> for coalition letter to Representative Lungren).

Ostensibly, the provision is intended to collect lost revenue from companies that fail to report or under-report income on their tax returns, thus helping to close the so-called "tax gap." However, some have observed that it is likely to end up costing the private sector more than the additional tax that the IRS might collect as a result.

NPES and the other members of the Coalition for Fairness in Tax Compliance have commended Representative Lungren for sponsoring H.R. 5141, the *Small Business Paperwork Mandate Elimination Act*, stating that tax reporting paperwork is already a major expense for businesses, and is especially detrimental to smaller businesses.

The expanded Form 1099 filing requirement scheduled to go into effect in 2012 extends current reporting requirements by applying them to both more vendors and more transactions.

Current law only requires businesses to send a Form 1099 to individuals who provide rent, interest, dividends, and non-employee services in excess of \$600 to a business. Payments to a corporation and payments for merchandise do not need to be reported. But under the new law beginning in 2012 every business will be mandated to issue a Form 1099 to any and all vendors to which the purchasing business has paid more than \$600 in a year for products or services. The Form 1099 must also be sent to the Internal Revenue Service (IRS).

In addition to issuing 1099 forms, businesses will now have to obtain Taxpayer Identification Numbers (TINs) from all their vendors, and withhold payment to any vendor unless and until the purchasing business receives the vendors' TIN. Penalties will be assessed if a business fails to issue the required 1099s. And, any business that pays your business more than \$600 will be sending you a Form 1099 as well.

NPES and its Coalition for Fairness in Tax Compliance allies have pointed out that this new and expanded 1099 filing mandate means that almost every business-to-business transaction is potentially reportable to the IRS. And according to the Small Business Administration, tax code compliance is 66% more costly for smaller businesses compared to larger ones. Regrettably, this new reporting mandate will pull much needed capital out of

businesses during a time of great economic stress.

According to the IRS, the Department of Health and Human Services is responsible for interpreting the new tax provision and enforcing its reporting requirement. However, in response to the outcry raised by the small business

**NPES and its coalition allies have pointed out that this new and expanded 1099 filing mandate means that almost every business-to-business transaction is potentially reportable to the IRS... and will pull much needed capital out of businesses during a time of great economic stress."**

advocates like the Coalition for Fairness in Tax Compliance, both the IRS Commissioner and the Small Business Administrator have recently indicated that because of a 2008 information reporting requirement that is about to take effect they are considering lessening this new cost of doing business by ruling that businesses that pay vendors with credit or debit cards will not be required to issue 1099 forms.

While this would alleviate some of the burden of the new 1099 requirement (for example obtaining TINs) for payments to vendors like airlines, restaurants and hotels that customarily accept credit and debit card payments, it would not be mandatory for the significant majority of all other vendors to accept credit and debit payments at the expense of two or three percent of their profit. Conversely, some have speculated that there would likely be a general pressure for such vendors to do just that, which is another good reason to repeal the new 1099 requirement altogether.

Those who object to this burdensome new prescription for more costly government paperwork can register their opposition by going to [www.stopform1099.org](http://www.stopform1099.org) to send e-mails and make phone calls to their Senators and Representatives.

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at 703/264-7235, or e-mail: [muzzaco@npes.org](mailto:muzzaco@npes.org). ●

# Six Essential Steps to Trade Show Sales Success



Carl Henry

**W**hy do companies exhibit at trade shows? Trade shows offer a one-time shot opportunity to accelerate the sales process in just a few short days and—with the right exhibit booth ‘tools’—can deliver literally a year’s worth of sales. But, without these essential tools it’s likely to be a waste of time and an enormous drag on your company’s balance sheet.

Trade show success is not an accident. The most successful salespeople know the ‘secret’ to trade show selling is a well thought out plan, simple advance preparation, and then onsite step-by-step execution. Here is a 6-step plan that will enhance your exhibit experience—and help make a year’s worth of sales—in just a few days.

“Be ready to engage, serve and sell immediately.”

## 1. Make a Plan

How many days will you be at the trade show? Break it down into how many hours you will actually have available for meetings. Next, make a list of decision makers who will be there and set-up your schedule of times to meet with them. It’s easy to put off this essential first step until later, but once you’ve arrived onsite it’s often too late. With so much going on during a busy trade show it’s far more difficult to meet with even your most important contacts without a pre-established place and time.

The weeks leading up to the show are also an ideal time to identify a dozen potential new customers who will be there. Trade shows are the perfect venue for personal introductions, rapid fire presentations, or just putting the face with the name of those you want to sell to in the future.

## 2. Understand the Trade Show Mindset

Normally, bringing in a new client means finding the right contact...reaching them for an appointment...giving a compelling presentation...and then having your proposal

approved—often by someone farther up the corporate ladder to whom the salesperson has no direct access. And, a salesperson has to do all of this while interrupting the prospect from what they were doing, not to mention the company they were already buying from.

Trade shows change these dynamics by bringing together hundreds or thousands of decision makers in one place, removing many of the barriers to communicating and let you work directly with your most important potential customers face-to-face. These top level prospects come to trade shows excited to see the latest and greatest things, and no one wants to come away from the show without owning the latest technology or product.

Understanding that receptive mindset and making a strong plan are two of the vital keys to trade show selling. Once you’ve mastered them, you’re ready to speed up the selling process on the trade show floor.

## 3. Work on Your Boothmanship

Because of the carnival-like atmosphere at many shows, introducing yourself to every person who walks by isn’t exactly easy—it takes a mixture of energy, enthusiasm and even flair called boothmanship.

There are going to be other salespeople—not to mention models, video displays, live demos, and every other kind of distraction—just a few feet away. Your ability to turn passing faces into potential customers will determine whether you have the chance to enter into the next stages of the trade show selling process.

## 4. It All Starts With the Greeting

Your ‘mission’ is to introduce yourself and engage visitors at the same time. My method for this dual task is simple: I just ask, “What caught your eye about our booth today?” It’s an easy, non-threatening question, but one that invites the prospect to share his or her thoughts.

## 5. Make It a Positive Booth Experience

There’s a good chance your visitor will ask about your products or solutions. Caution: don’t launch into a full demon-

stration!

Rather, give them a sense of what

you’re offer-

ing... with a little bit of humor and showmanship. Using the right tone of voice and body language doesn’t just draw prospects into what you’re saying—it also keeps you in the right frame of mind. Now is the time to see if you can engage the prospect in a discussion about his or her product needs. Ask open-ended questions and then see if the answers provide an opportunity that leads to more specific discussion.

## 6. Qualify, Qualify, Qualify

Since your time at a trade show is limited, and because there will likely be hundreds of potential buyers around, finding the real prospects—the ones with buying intentions and authority—is the name of the game. According to a recent survey conducted by Exhibit Surveys, Inc., 84% of attendees on a trade show floor had at least some influence on the purchasing process, and an average of 53% of them were looking to make a major purchase in the coming calendar year.

## Sales Plan Summary

Now you understand what a unique and powerful opportunity trade shows offer for making big sales. And you have the tools to begin the sales process. Now take responsibility for creating favorable outcomes with your trade show booth visitors. Prepare yourself mentally and strategically to perform well at the trade show. Be ready to engage, serve and sell immediately. Review these six essential steps often and get set for a productive trade show experience. ●

*Carl Henry, President of Henry Associates, is a sales and customer service educator and corporate consultant who developed The MODERN Sales System and the PEOPLE Customer Service System. A Certified Speaking Professional and member of the National Speakers Association, he was a presenter for the NPES 2006 Regional Meetings series, and has taught essential sales and customer service skills to NPES member companies and hundreds of other companies in a diverse range of industries. For more information contact Carl Henry at phone: 704/847-7390, e-mail: chenry@carlhenry.com, or visit: www.carlhenry.com.*

# tax talk

## The Patient Protection and Affordable Health Care Act

**I**t is official. *The Patient Protection and Affordable Health Care Act* was signed by the President on March 23, 2010. This law changes the entire paradigm behind healthcare and even some tax rules. The following summary reveals the changes in both healthcare and tax consequences that will now affect closely-held business owners.

### Rules on Preexisting Conditions

Starting in 2014, insurance companies will no longer be able to deny coverage to adults for preexisting conditions. Within the next 6 months, children under the age of 27, whose parents are purchasing insurance for them, will no longer be denied health coverage. Those with health considerations (or have children with) ailments such as epilepsy, cystic fibrosis and a whole range of genetic and age-related diseases will gain the right to be covered.

### Healthcare Exchanges

Currently, healthcare insurers and consumers are limited as to where and how they can buy and sell health insurance. Under the new law, "healthcare exchanges" will be created by the states allowing more flexibility as to how, who, and the means in which healthcare insurance can be purchased. While the exact mechanics of the healthcare exchanges remain to be seen, they are predicted to increase competition in the insurance marketplace and make healthcare insurance more affordable to consumers.

### Individual Mandate

With the new law comes an obligation for all individuals to be insured. Those individuals who refuse to get coverage will face a fine of up to \$695 per year to a maximum of \$2,085 per family per year or 2.5% of the household income over the amount subject to income tax, whichever is greater. The penalty is being phased-in as

follows: 2014 - \$95 or 1%, 2015 - \$325 or 2%, 2016 - \$695 or 2.5%. The penalty then increases after 2016 based on a cost of living adjustment. For some, it may be less expensive to pay the fine as opposed to purchasing health insurance. However, be aware that the \$695 penalty is a penalty by means of the Internal Revenue Code. In other words, the penalty must be paid or such individuals will face the IRS.

### Investment Income

For those families making above \$250,000, investment income will be subject to an additional 3.8% tax. This tax begins in 2012.

### Credit for Small Businesses

Employers with, 1) 25 or less full-time employees, 2) average compensation of \$50,000 or less, and 3) pay at least half of the health insurance coverage, are eligible for a tax credit.

During tax years 2010, 2011, 2012 and 2013 employers will receive a 35% tax credit (in addition to a tax deduction for the premiums paid less the tax credit). In 2014 and 2015, the tax credit increases to 50%. After 2013, the credit is only available for 2 more years and only if the insurance is purchased from an insurance exchange.

On the other hand, if the employer has 10 or fewer employees, their average compensation must be less than \$25,000 in order for the employer to qualify for the credit. Furthermore, their credit is 25% for 2010, 2011, 2012 and 2013. For 2014 and 2015, the credit increases to 35%.

### Conclusion

Not only are there incentives for small businesses to cover employees and new opportunities for individuals to obtain health insurance—but a whole host of tax issues have also surfaced. Just to name a few, business succession and exit planning will be affected because of the new capital gains rates. C Corporations with retained earnings should at least consider accelerating their payouts to avoid the increased taxes on dividends (2012). ●

*Dr. Bart A. Basi is an expert on closely-held companies, an attorney, a Certified Public Accountant and the Senior Advisor of the Center for Financial, Legal & Tax Planning, Inc. He is a member of the American Bar Association's Tax Committees on Closely-Held Businesses and Business Planning. For more information, contact him at phone: 618/997-3436 or visit: [www.taxplanning.com](http://www.taxplanning.com).*

## SAVE THE DATE!

NPES 2010 Annual Conference

## Print Reinvented 2011: The Future of Media Communications

Thursday, November 18 to

Saturday, November, 20, 2010

Royal Palms Resort, Phoenix, Arizona



## NPES CALENDAR

### July 2010

#### CGATS/USTAG

July 13-14 • Rochester, New York

#### PRIMIR Summer Meeting

July 26-27 • Atlanta, Georgia

### October 2010

#### EXECUTIVE OUTLOOK Conference

October 2 • Chicago, Illinois

#### GRAPH EXPO

October 3-6 • Chicago, Illinois

#### GASC & GAERF Board Meetings

October 4 • Chicago, Illinois

#### TC 130 WGs and Plenary

October 10-16 • Sao Paulo, Brazil

#### CGATS/USTAG

October 28-29 • Location TBA

### November 2010

#### ICC Meeting

November 4-6 • San Antonio, Texas

#### ICC DevCon

November 8 • San Antonio, Texas

#### NPES 2010 Annual Conference

November 18-20 • Phoenix, Arizona

### December 2010

#### PRIMIR Winter Meeting

Renaissance Boca Raton

December 6-8 • Boca Raton, FL

### March 2011

#### Vision 3 Summit

J.W. Marriott Desert Spring Resort  
March 13-16 • Palm Desert, California

### September 2011

#### EXECUTIVE OUTLOOK Conference

September 10 • Chicago, Illinois

#### GRAPH EXPO

September 11-14 • Chicago, Illinois

#### International Graphic Arts Show

NPES Member Booth and Trade Mission  
September 21-27 • Tokyo, Japan

### October 2011

#### NPES 2011 Annual Conference

October 16-19 • Palm Beach, Florida

### September 2012

#### GRAPH EXPO

September 30-October 3 • Chicago, Illinois

### September 2013

#### PRINT

September 6-11 • Chicago, Illinois

## GASC to Host Virtual Preview of GRAPH EXPO 2010

### ATTENDEES TO GAIN EXCITING PRE-SHOW GLIMPSE, EXHIBITORS REAP THE BENEFIT OF NEW ADVANCE PROMOTION OPPORTUNITY

To whet attendees' appetites for the year's largest graphic communications exhibition and conference in the Americas, the Graphic Arts Show Company (GASC) will host a special online **GRAPH EXPO 2010: A Virtual Preview** on August 19, 2010, eight weeks prior to the physical GRAPH EXPO tradeshow to be held October 3-6, 2010 in Chicago's McCormick Place South.

The intent of GRAPH EXPO 2010: A Virtual Preview is to **showcase what GRAPH EXPO is all about, ahead of time**, with a sneak peek at exciting new products and technologies that will be at the October show for attendees to plan in advance their time at the show.

Sponsored by *American Printer*, this unique online event offers tremendous benefits for participating vendors—a novel way to introduce themselves and their newest products to visitors ahead of GRAPH EXPO 2010—*plus* the opportunity to meet and engage interested attendees and learn from them *exactly* what technologies they are most interested in seeing at the physical show in Chicago.

FREE for attendees,



GRAPH EXPO 2010: A Virtual Preview will provide:

- an interactive tour of just some of the **newest equipment and products** to be found at October's GRAPH EXPO;

- a complete listing of **exhibitors** who will be there;
- **live networking** and market segment-specific chat opportunities with vendors and other Virtual Preview attendees,

- six **educational webinar sessions** covering topics of interest to 11 key industry segments within the full spectrum of graphic communications professionals; plus,

- attendees from the Caribbean, Mexico, Latin America and the Dominican Republic will have the option of participating **in English or in Spanish**.

As an additional benefit

for those who registered for the virtual event, all content from GRAPH EXPO 2010: A Virtual Preview, including the educational presentations, will be archived and available to revisit until the start of GRAPH EXPO 2010.

For information about exhibiting in GRAPH EXPO 2010: A Virtual Preview, contact the GASC Sales Department at: **703/264-7200** or e-mail: **sales@gasc.org**. To view exhibitor participation packages, visit: <http://www.graphexpo.com/Exhibiting/VirtualPreview.aspx>. ●

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