SCAQMD is planning to open Rule 1130 for amendment. The District is planning to update the rule to be consistent with EPA’s Control Technique Guidelines, which affects VOC content limits for fountain solutions and the overall control efficiency requirements for add-on control equipment, as well as incorporate additional changes for consistency with other District rules. PIC will be involved in a working group meeting with affected stakeholders to discuss the proposed changes and any other stakeholder areas of concern.

SCAQMD Rule 1130

Legislation to Combat Patent Trolls

House Judiciary Committee Chairman Bob Goodlatte (R-VA) and a bipartisan group of cosponsors last week introduced H.R. 3309, The Innovation Act of 2013. This bipartisan legislation aims to address the recent abuses of the legal system by patent-assertion entities, or “patent trolls.” Tuesday’s House Judiciary Committee hearing on H.R. 3309 included testimony from a former official in the U.S. Patent and Trademark Office and intellectual property executives from Yahoo!, EMC Corporation, and Eli Lilly & Co. During the hearing, Chairman Goodlatte stressed that the legislation intends to target behavior and not specific entities. The specific behavior to which the Chairman refers is the practice of patent trolls suing downstream users of the technology with the hopes of cornering them into a quick and expensive settlement. These downstream users are mostly small businesses and include many printing companies. Instead of focusing on innovation and job creation, these businesses are forced to devote significant resources to defending these lawsuits. It is estimated that more than $29 billion per year is wasted on these lawsuits.

The Innovation Act of 2013 would target abusive patent litigation without eliminating valid patent claims. The bill would also increase transparency with heightened pleading standards for patent assertion entities, which will discourage lawsuits and reduce litigation expenses. Furthermore, the legislation includes modern fee shifting provisions that are consistent with current judicial determinations.

Excerpt from imPRINT Government Affairs Update, October 31, 2013

Final Reminder: OSHA Training

OSHA recently revised the Hazard Communication Standard to conform to the United Nations’ Globally Harmonized System of Classification and Labeling of Chemicals. The revision also applies to states with their own OSHA-run programs, such as California.

The first requirement in implementing the revised standard is employee training (instruction) on the new label and safety data sheet (SDS) formats. The training must be completed by December 1, 2013.

You can find a step-by-step guide to this training requirement at http://bit.ly/PIC-HCT or a link on your association’s website.

Since manufacturers and importers have until December 1, 2015, to comply, the hazard communication program will go through a period where labels and SDSs under both standards will be present in the workplace. This is acceptable, and employers don’t have to maintain two sets of labels and SDSs for compliance purposes.
**Labor Law Posters**

All California businesses must display up-to-date labor and safety notices, where all employees can see them to be in compliance with federal and state laws.

PIC offers these posters which are:
- Laminated on both sides and printed in high-quality full color
- Combo measures 27” x 39”
- Posters are guaranteed to be the most up to date versions available

Some companies may also be required to post additional notices depending on their operation, such as forklift safety, fire extinguisher use, safe lifting, and bloodborne pathogens. These posters are also available.

To order your posters, contact Rose Dorado at rosed@piasc.org (323-728-9500, Ext. 231). Placing your order online will also be available soon.

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**California Paid Family Leave Act**

A bill introduced by Senator Hannah-Beth Jackson (D-Santa Barbara) that expands coverage under California’s Paid Family Leave Act beyond the immediate family was signed into law by Governor Brown on September 24, 2013.

The Paid Family Leave Act allows an employee to receive a portion of his salary for up to six weeks to care for a sick parent, spouse or child. The partial pay is funded by deductions from employee paychecks.

SB 770 extends paid leave to the care of siblings, grandparents, grandchildren, and parents-in-law by expanding the definition of “family.”

This bill takes effect on July 1, 2014.

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**New 2014 Laws Affecting Employers**

California enacted new employment laws that will affect California employers’ day-to-day operations and policies in 2014, so you’ll want to make sure you are in compliance.

Download CalChamber’s white paper for an overview of more than 25 noteworthy new laws, including significant changes to these key employment areas:
- Wage and Hour
- Discrimination and Retaliation Protections
- Immigration Protections
- Leaves and Benefits

To download the CalChamber’s white paper, please visit www.piasc.org and click on Business/Technical.

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**Click Charges**

We often receive questions about click charges. We hope the following information helps answer some of those questions:

**Terms of Lease**

Printing companies that lease photocopying machines (e.g., Docutech) must be aware of the terms of the lease contract. The lease signifies a "base" amount to be paid to the lesser for the term of the lease (e.g., $4,000 a month). The lease often also includes a “click” charge for each impression over a specified amount (e.g., $0.03 a copy or “click”).

**Tax Ramifications**

According to California Sales and Use Tax Law, tax is owed on the “value” of the lease. This means that tax is owed on the "base" amount to be paid to the lessor for the term of the lease (e.g., $4,000).

Moreover, if the lessee incurs addition charges under the terms of the lease (e.g., $0.03 a copy or “click”), tax is owned on these additional charges. Thus if the printer has 5,000 “click” over the “base” amount, the printer will owe tax on $150 (5,000 x $0.03).

The reason the “click” charges are taxable is that they are, in fact, part of the lease. It is an additional cost of the lease if the printer goes above a specified amount of “clicks.” By writing the contract as such, the lesser provides a more attractive package to the lessee. The “click” charges are considered part of “gross receipts.”

**When “Click” Charges Are Not Taxable**

Tax is not charged for “click” charges under the following scenario. The “click” charges would not be written into the lease; instead they would be written into a separate “optional” maintenance agreement. This is permissible since additional “click” add to the “wear and tear” on the machine.

The application is the same for the sales, as for the lease, of photcopying equipment.

**Leases and Property Tax**

Where any person is required by the lease to pay for any personal property taxes assessed on the leased property, the amount so paid will be regarded as part of the taxable lease receipts. Thus the property tax will, as part of the gross receipts, be subject to tax.