

The Stimulus Package Report

President Obama signed into law a stimulus package, H.R. 1, the massive American Recovery and Reinvestment Act (ARRA), also referred to as the American Recovery and Reinvestment Tax Act (ARRTA). The following list is an overview of some of the major tax and small business provisions of interest to HPBA members, of which the energy tax credit will have the greatest impact on the hearth industry. (Please consult your tax professional to see how the provisions in this Act apply to your specific situation.)

● **Energy Credit: 30% Tax Credit for Biomass Stove Purchase** – The Act includes a 30% tax credit (up to \$1,500) for the purchase in 2009 and 2010 of 75%-efficient biomass-burning stoves measured using a lower heating value (LHV). The new tax credit provisions are substantial improvements to the \$300 tax credit provision included in legislation that passed in October 2008. The major changes include an extension of the credit through 2010, the increase on the credit from \$300 to 30%, and the stoves being measured using LHV.

While the new tax credit takes effect immediately, the Internal Revenue Service (IRS) has not issued the guidelines for determining how stoves will meet the efficiency requirements to qualify for the credit or how manufacturers will certify their products. These guidelines are expected by March 31, 2009. Please see <http://www.hpba.org/index.php?id=34> for Questions and Answers on the tax credit. HPBA will keep its members informed on all new developments.

The following items are also of interest to the hearth industry and/or to all of our small business members.

● **Hazardous Fuels Reduction (\$500 million)** – The bill allows the Forest Service to use up to \$50 million to make competitive grants for creating incentives for increased use of biomass from federal and non-federal forested lands.

● **School Modernization (\$100 million)** – These funds may be used to renovate, repair, and construct public school buildings, including the repair or replacement of HEATING systems.

● **Energy Efficiency and Renewable Energy Program (\$8.9 billion)** – In this section, the Weatherization Assistance Program received \$5 billion, State Energy Programs received \$3.1 billion and Projects Related to Biomass received \$800 million.

● **Direct Expensing** – IRS Section 179 allows businesses to write off annual investment in capital assets such as machinery. The new legislation extends the \$250,000 prior maximum through 2009.

● **Bonus Depreciation** – The bonus deduction is extended through 2009 for property purchased and placed in service before January 1, 2010, and allows a taxpayer to depreciate 50 percent of the adjusted basis after subtract-

ing any Section 179 deduction taken on that property of qualified property during the year the property is placed in service.

● **Net Operating Losses** – The new law increases the carry back period for up to six years.

● **Alternative Minimum Tax** – The Alternative Minimum Tax (AMT) is extended for 2009.

● **Small Business Estimated Taxes** – The new law provides that the annual estimated tax payments of a qualified individual for taxable years beginning in 2009 will not be greater than 90 percent of the tax liability shown on the tax return for the preceding taxable year.

● **Homebuyer's Credit** – The new law extends the existing homebuyer credit for qualifying home purchases before December 1, 2009. In addition, it increases the maximum credit amount to \$8,000 (\$4,000 for a married individual filing separately).

Manufacturers Gov't. Affairs Briefing

The Manufacturers Government Affairs Briefing will be held Wednesday, March 18 at 8:00am-10:30am, Room A19, at the Reno-Sparks Convention Center. This meeting is open to all manufacturers and laboratories and is the best place to learn about the activities of your HPBA Government Affairs Department. Discussion topics include the latest information on EPA's plans to revise the 20-year old New Source Performance Standard (NSPS) for wood heaters (which is expected to include more than just wood stoves); details about the 30% tax credit and its \$1,500 limit qualifications; the new EPA low mass fireplace agreement; the Dept. of Energy gas efficiency issue; and the possibility of including some woodburning appliances in the Energy Star program. For more information, contact John Crouch at crouch@hpba.org.

Energy Star for Woodburning

Officials from the EPA and the Energy Star program, and possibly enforcement officials, will attend HPBExpo. Exhibitors are encouraged to review the EPA labeling requirements, especially for prototypes. More information will be presented at the Manufacturers Government Affairs meeting above.

Montreal Restricts Woodburning

Members of APC, HPBAC and HPBA joined forces on February 23 at an outdoor burn demonstration/press event to protest the city's proposal to ban (which is currently not in place) the sale of all additional wood-burning appliances, including EPA/B415 products. Despite our industry's best efforts, the city council voted to hold a series of public meetings on the topic, with a final vote on the proposal in May or June. For more information, contact Tony Gottshalk at tonyhpbac@bellnet.ca or attend the Focus Cana-

da meeting at HPBExpo on Thursday, March 19, 7:30am, Room A6, in the convention center.

Vermont Changeout

Eleven local retailers have signed up for the Vermont changeout, which opens for applications on Monday, March 9. Using a grant from U.S. EPA, Vermont will be offering changeout grants of \$450 for the first 171 homes to upgrade from an old wood stove to any cleaner gas, pellet, or EPA wood heater. Dealer contact, NEHPBA at diane@nehpbpa.com; Manufacturer contact, John Crouch at crouch@hpba.org.

HPBA Committee Activity

Communications

Watch for the *HPBA NewsCast*, a weekly electronic compilation of news stories across the country that appeared in a wide variety of media outlets. To receive this publication, make sure your spam filters will accept electronic mail from HPBA.

HPB Education Foundation

Hearth 101 has been revised and reissued as two workbooks specifically designed to provide basic product and technical information about all major hearth categories. *Hearth 101: Introduction to Hearth Systems* is an ideal tool for learning the concepts of hearth systems so that every staff member can answer customer questions. The workbook covers fuels, appliances, venting systems, safety, basics of combustion and draft, installation configurations and more.

Using Hearth 101 for Sales and Customer Service is a workbook for sales and customer service personnel and provides the tools for effectively combining technical knowledge, sales technique and customer service skills to make sales and get referrals.

For more information on how to order Hearth 101, contact Kristi Long, long@hpba.org.

Membership

● While in Reno at the show, please visit the Member Services Booth (indoor #3103) to get information on HPBA affiliate events, member benefits and NFI certification.

Industry Statistics

● The HPBA Quarterly Industry Survey data is available and will be distributed in early March to participating manufacturing firms.

● HPBA regional hearth shipment numbers, by U.S. state and Canadian province, will be released before HPBExpo to those companies that have supplied data.

● An informal meeting for people interested in the 2009 barbecue consumer research will be held following the Statistics Committee meeting on Friday, March 20 to discuss and develop the methodology and questionnaire for this year's report.



HPBExpo Report

Reno, NV • March 18 - 21, 2009 • www.hpbexpo.com
Innovations & Ideas for Indoor-Outdoor Living

Interactive Floor Plan. When it comes to finding new products and meeting new suppliers on the trade show floor, every minute counts. The You Are Here™, <http://shows.marketart.com/hpba/>, Interactive Map & Exhibitor Directory is designed to help you maximize your time and conduct business efficiently. This user-friendly system guides you directly to the companies and displays you want to see! Search by company, category or brand to find the location of an exhibitor booth and to read a brief description about the company. Go to <http://shows.marketart.com/hpba/> for more details.

HPBExpo Highlight. "Steel is Alive" artist Ed McBride displays his fire-breathing dragon grills and ignites the fantasy outdoor chef in everybody in Reno. Be sure to look for these grills in the registration lobby. Each dragon is a fully functional grill/smoker with exquisite detail.

Come to Reno for the HPBExpo, stay for the entertainment. Musical performances include the 2008 American Idol David Archuleta at the Grand Sierra Resort & Casino, Dwight Yoakam at the Silver Legacy Casino, and Ray Manzarek & Robby Krieger of The Doors at the Peppermill. And don't forget Howie Mandel's comedic performance at the Peppermill Events Center on Saturday, March 21 at 8:00pm. For further details on all shows, including times and ticket prices, go to <http://www.hpbexpo.com/pub/The-Stars-Come-Out-in-Reno>.

HPBExpo Registration Update. Registration is easily completed on line at www.hpbexpo.com or by fax (download the form from the website). Online registration will remain open for badge pickup on-site until March 16. Onsite registration at the Reno-Sparks Convention Center will open Tuesday, March 17.

Online housing reservations for HPBExpo closed February 20. Hotel reservations must now be made directly with all hotels. A contact listing for area hotels in Reno is available at <http://www.hpbexpo.com/pub/Book-Hotel-Reservations>.

Expo Promotional Opportunities. HPBExpo exhibitors interested in expanding their exposure at the show should contact Betteanne Leahy at (800)404-5461 or via the HPBExpo website at [http://www.hpbexpo.com/elements/uploads/fck-files/file/Promotional%20Opps%20Brochure_Color\(4\).pdf](http://www.hpbexpo.com/elements/uploads/fck-files/file/Promotional%20Opps%20Brochure_Color(4).pdf).

Orlando Booth - Expo 2010. Located in the registration lobby of the Reno-Sparks Convention Center, Orlando staff will be available for questions regarding air travel and much more. Stop by and see what's new for next year's venue.

2010 Exhibitor Portfolio and Priority Booth Assignment. The full 2010 Exhibitor Portfolio is in the mail to all current and past exhibitors. The portfolio contains 2010 booth contracts, rules and regulations, payment information (20% will be due at space selection), and the Priority Assignment Time for the Priority Booth Assignment taking place in Reno, March 19 - 21. It is important that exhibitors attend the Priority Booth Assignment during the scheduled time (during Expo) and take advantage of the priority ranking for 2010 booth space.



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HOTNEWS

Published monthly to provide Hearth, Patio & Barbecue Association members with timely news and information