

TILE CONTRACTORS ASSOCIATION OF HAWAII

SUBCONTRACTORS EXEMPTION 2013 LEGISLATIVE SESSION

In the 2012 legislative session, the "subcontractor exemption" was set into place and ends June 30, 2013. However, there is a sunset clause in the law. This means that it will be up for discussion in 2013. Under the old law, the prime contractor could pay the GET on the total and then deduct the amount of GET paid to the subcontractor. The subcontractor would receive the net and this formula resulted in the GET being paid only once.

Under the new law, the prime must pay on the gross and the subcontractor must pay the GET on what he receives. This results in the GET being paid twice! The Tax Review Commission has recommended that law be allowed to permanently expire. Unfortunately, the legislators do not always take the commission's recommendation into consideration. In 2013, we plan to assist in lobbying against this new law and will reach out to our members for support and perhaps testimonial letters. Your support is greatly appreciated.



PACIFIC BUILDING TRADE EXPO



The Tile Contractors Association of Hawaii once again had a tile pavilion with 15 booths at the 13th Annual AIA/CSI Pacific Building Trade Expo at the Hawaii Convention Center on Wednesday, October 17, 2012. Our members had an opportunity to meet with architects, engineers, property managers, general contractors and others in the building industry.

CERTIFICATION PROGRAM SUPPORT

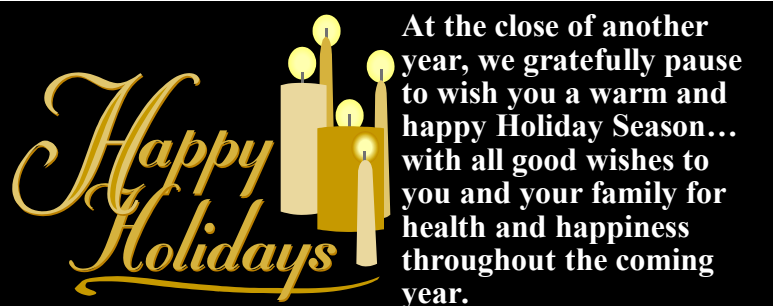
On September 18, 2012, the board of directors sent a letter to the Masons Union Local 1/ Local 630 regarding implementing a certification program. We have not heard a response and below is the contents of the letter:

The board of trustees of the Tile Contractors Association of Hawaii would like to express our support for the development of a professional certification program for our member tile setters.

As we work within the industry with union employees it becomes increasingly difficult to remain competitive with out-of-state and non-union labor. A certified professional tile setter will:

- ◇ Be a marketable product that can be used to secure more projects, and remain within the Masons union trade.
- ◇ Help keep Hawaii jobs to Hawaii trades people.
- ◇ Will insure quality and professional labor by having the architectural community specify the requirement for certified tile setters on their projects.

Our member contractors would assist by being part of an advisory committee to help organize the program to make sure that it works within the industry and is something that can be acceptable and agreeable to all.



At the close of another year, we gratefully pause to wish you a warm and happy Holiday Season... with all good wishes to you and your family for health and happiness throughout the coming year.

~Best Wishes from the Board of Trustees

1440 Kapiolani Blvd., Suite 800 • Honolulu, HI 96814
Phone: 808-441-8600 • Fax: 808-441-8750
www.tilehawaii.com

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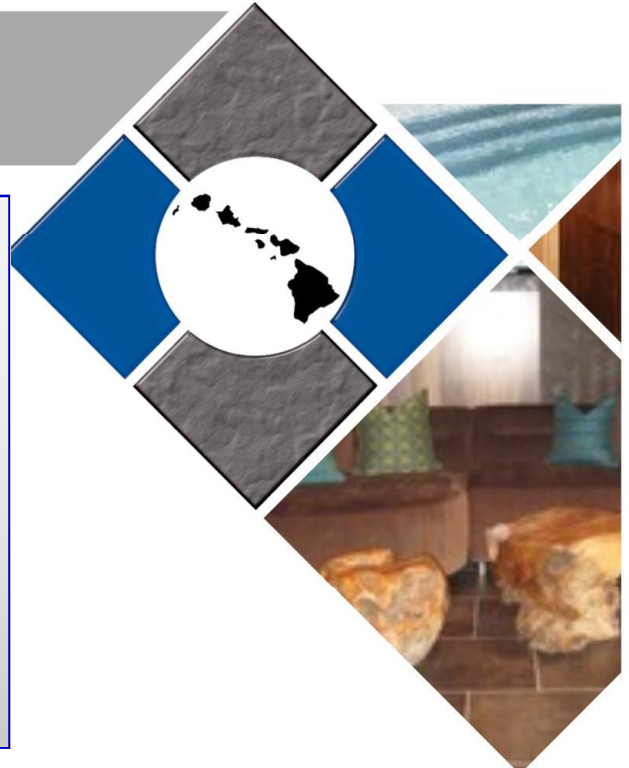
MEMBERSHIP MEETING

The next Tile Contractors Association of Hawaii Membership Meeting will be held on Wednesday, January 30, 2013 at the Raffles Café at the Mandalay Bay Resort at 9:30 a.m.

The TCAH will refund expenses up to a specified amount for one representative from a signatory member company. To qualify, the company must be a member of the association for two consecutive years and have made monthly contributions to the promotion fund.

ALL members including the associate members are invited to attend this meeting.

The meeting will coincide with the Surfaces/Stone Expo from January 29—31, 2013 at the Mandalay Bay Convention Center. Please RSVP to lisaakim@hawaii.rr.com.



UNLICENSED CONTRACTORS LAW

A hallmark piece of legislation was passed in 2012 that allows for the conviction as a felony for certain unlicensed contracting activities. This bill engages the services of the Department of Attorney General, the City Prosecutor of each county, RICO, the Department of Taxation and the Department of Labor. More often than not, the unlicensed contractor is usually not compliant with other regulations as well. This law also allows for the forfeiture of tools and equipment. There will now be an effort to utilize a warehouse from the Drug Forfeiture Law which has a procedure to sell confiscated property.

PROMPT PAYMENT

This bill creates an amendment under the Contractors Licensing Law and states that a contractor must pay a subcontractor within 10 days after receiving an invoice from the sub. The time limit was previously 60 days. The sub is also entitled to a 1-1/2% (one and a half) interest per month from the date the payment is due.

UNEMPLOYMENT INSURANCE

This bill continued the unemployment insurance rate schedule for all of 2012 that was realized in 2010 and 2011. It saved employers \$300 to \$600 per employee. However, the insurance fund went broke in 2011 causing the state to borrow funds from the federal government to continue to pay benefits. Unfortunately, the funds will need to be paid back. Another bill will be presented in 2013.

REMINDER TO OUR MEMBERS

Please submit any information for our newsletter and website on your company such as new products, employee promotions, seminars, training sessions, demonstrations, photos or any tidbit that we can share with our members.



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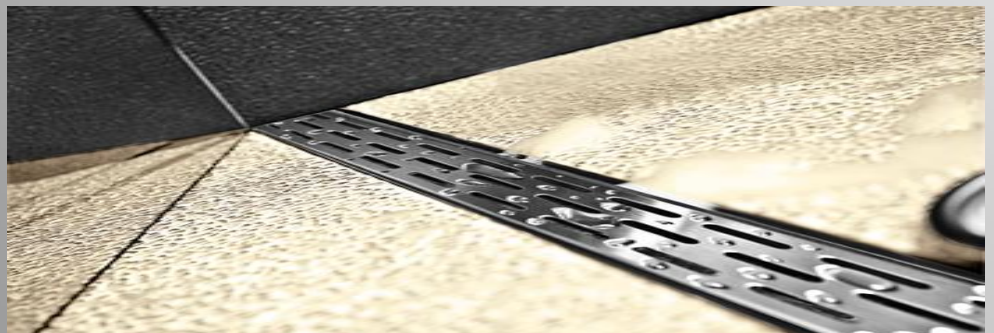
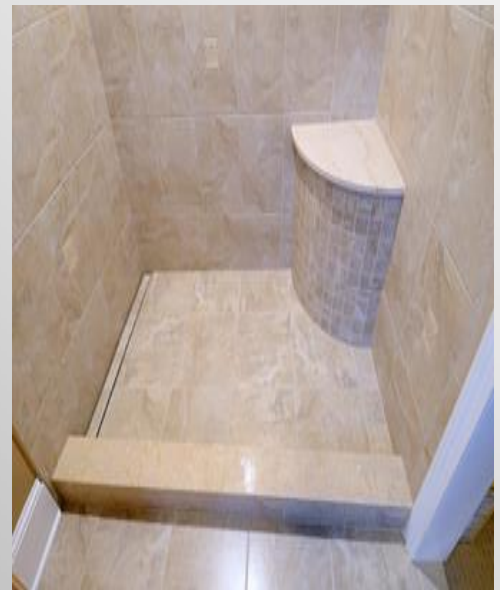
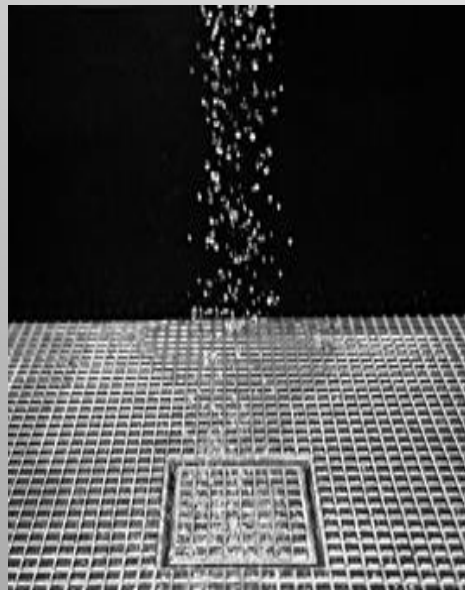
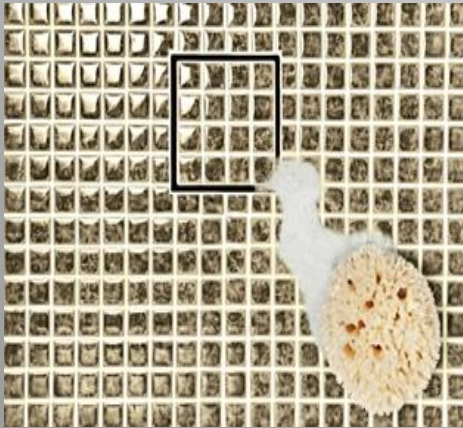
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LATICRETE® HYDRO BAN WATERPROOFING SYSTEM



The extended LATICRETE® HYDRO BAN Waterproofing System now includes a complete shower system and drains. With satin finish grates and tile-in options, HYDRO BAN Shower Drains combine the quality of precision hand crafted stainless steel with unlimited design possibilities for new shower floors. HYDRO BAN Pre-Sloped Shower Pans, Preformed Niches and Preformed Seats allow for high quality rapid shower installations. With a lightweight site-sizeable, ready-to-tile waterproof surface, the HYDRO BAN Shower System is fast and easy to install; and it's backed by a complete lifetime system warranty covering all materials.

Please contact the Hawaii representative,
Kevin L. Coronas at klcoronas@laticrete.com.



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