

PRICE MATCH



Here's 4 Tik-Tok dances you can do to help fight tariffs

By *Left* April 2, 2025 1984 69420



IT DOESN'T MATTER

- All Armstrong Acoustical & Drywall Suspension Systems	10%	02/03/25
- All Wallboard Products Including Vinyl Rock and Gridstone	20%	02/03/25
- All Other Interior Finish & Plaster Goods Products Including Paper Tape	10%	02/03/25
- All Quikrete® Products	4-6%	03/01/25
- All Wire Products	10%	03/03/25
- All Aluminum Products	25%	03/15/25
- All Steel Products Including Lath, Accessories & Trims	Min of 10%	03/03/25
- All Steel Products (on top of min 10% announced on 3/03/25)	Min of 10%	04/01/25

PRICE MEMOS

- Some suppliers maintain helpful lists of price memos from manufacturers.
 - <https://www.fbmsales.com/price-increases/>
 - <https://www.fergusonfirepricealerts.com/>
- Most associations offer publications that assess the market.
 - AGC
 - HBA
 - ABC

PRODUCER PRICE INDEXES

- PPIs track the price trends of various inputs used in building projects, such as lumber, steel, concrete, and asphalt.
- PPIs only track prices of domestic products.
 - They are not good indicators of price increases caused by import/export fees.
- The Bureau Of Labor Statistics:
 - <https://www.bls.gov/ppi/>
- FRED:
 - <https://fred.stlouisfed.org/>

PPI SERIES NUMBERS

Material	Index Number
Construction Materials	WPUSI012011
Cement	PCU32733273
Ready-Mix Concrete	WPS133301
Iron & Steel	WPS101
Fabricated Structural Metal	WPS107
Softwood Lumber	WPU0811
Hardwood Lumber	WPU0812
Plywood	WPU083
Roofing Materials	PCU3241232412
Asphalt	PCU3241213241210131
Paints	PCU325510325510

WAYS TO ADDRESS RISK

- Increase lump sums
- Purchase in advance/bulk
- Hire a purchasing agent
- Aim for shorter project timelines
- Switch to cost plus contracting



ESCALATION CLAUSES

- Escalation Clauses are the single best way to mitigate price increases regardless of cause.
- A thoroughly detailed clause benefits all contractors, regardless of company size.
- Having as much detail as possible in this clause:
 - Decreases the chance of disputes
 - Increases the odds of a customer/financial institution accepting the clause.



WHAT'S INCLUDED

- The escalation clause in your contract should include:
 - Trigger Points
 - Specifies clear points when an escalation can be invoked.
 - Could for example be based on a percentage increase in a specific material index over a defined period.
 - Deadline for Change Order Submission
 - Client Review Period
 - Specified Method For Notices
 - Written
 - Electronic

MATERIAL SPECIFICATION

- An exhibit showing:
 - A list of materials covered under the clause
 - A base price for those materials
 - Amounts of the material needed for the job
 - Calculation Methodology
 - Direct Pass-Through: The client pays the actual increase in the contractor's cost for the material.
 - Percentage Increase: The contract price is increased by the same percentage that the material price has increased (potentially with a multiplier or cap).
 - Formula-Based Adjustment: A specific formula might be used to calculate the price adjustment.

NICE TO HAVES

- Purchase timing for the materials
 - Project Milestones
 - Calendar Dates
- Any limits or caps on escalation
- Who the supplier is
 - If not we need another way to agree upon price determination.
 - Market Value
 - Cost Index
 - Average price from suppliers in region

THE NOTICE

- For all intents and purposes the notice is a ‘change order’.
- This document formally initiates the process for a price adjustment.
- The notice will contain:
 - Reference to the escalation clause in the contract.
 - Identification of the specific material(s) affected.
 - Evidence of the price increase (index data, supplier quotes, etc.).
 - Calculation of the proposed price adjustment.
 - Proposed change to the contract price.
 - Potential impact on schedule (if any).

THRESHOLD

- The most common type of clause.
- Stipulates that price adjustments will only occur *after* a certain threshold of price increase.
 - Could be based on a percentage or dollar amount.
- Protects the contractor from significant cost increases while providing the client with some price stability for minor market fluctuations.

MUTUAL

- Allows for price adjustments in both directions – increases *and* decreases – based on changes in market conditions or specified indices.
- Creates a fairer system that reflects actual market changes, potentially leading to cost savings for the client if prices fall and providing protection for the contractor if prices rise.
- ConsensusDocs makes an excellent one:
 - <https://www.consensusdocs.org/contract/200-1-time-and-price-impacted-materials/>

HOW SCREWED AM I?

- What if you're already in contract, and you don't have anything like this language included?
- Look for:
 - Force Majeure
 - Change In Law

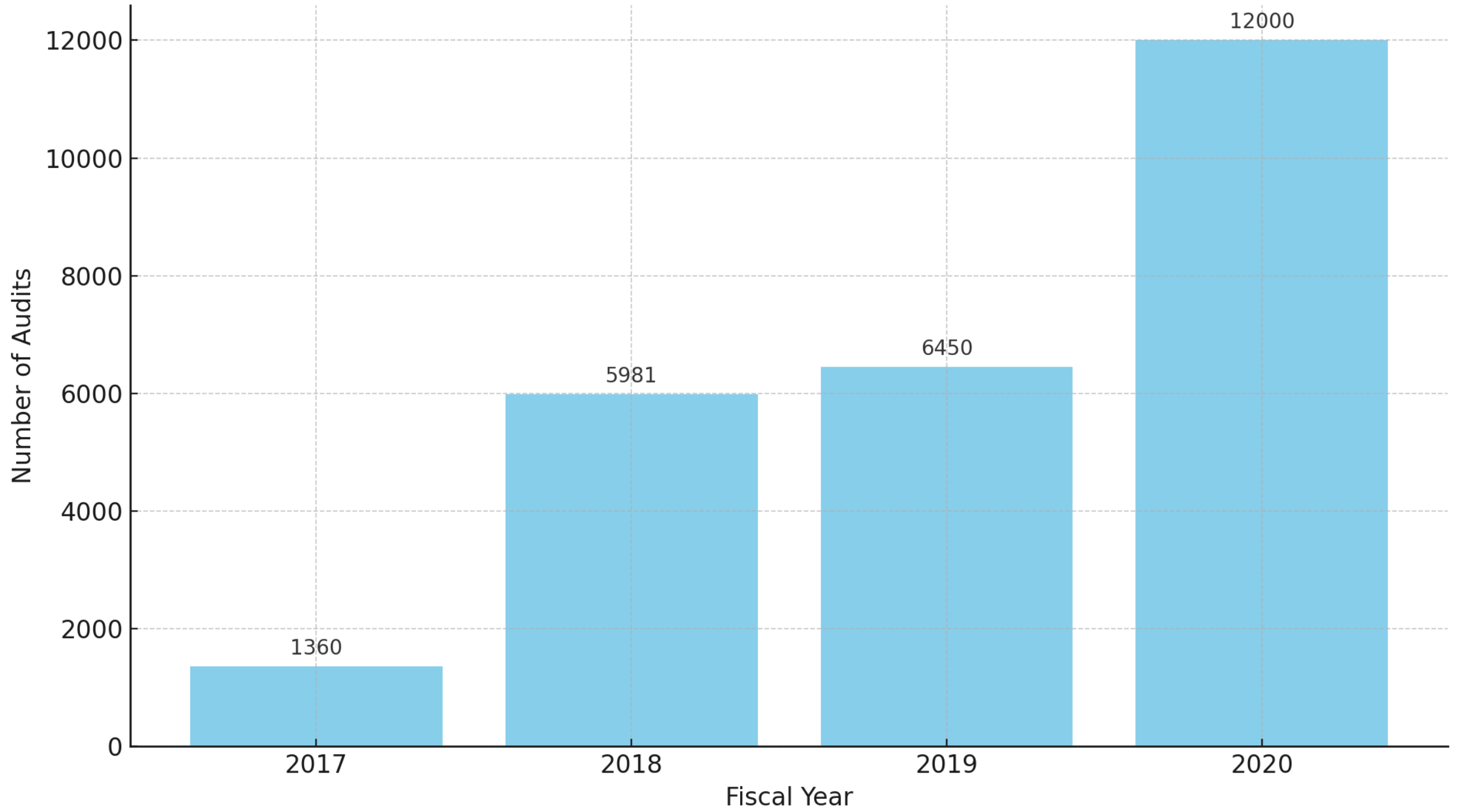


FORM I-9

- You need to have a completed I-9 form for each W2 employee on staff.
- Audits are going to be more common for the foreseeable future.
- Failure to produce documentation could result in civil or criminal penalties.



ICE I-9 Audits Under Trump Administration (2017-2020)



SECTION 1

- Filled out by the employee.
- Must be completed no later than the first day of employment.





Employment Eligibility Verification

Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9

OMB No.1615-0047

Expires 05/31/2027

START HERE: Employers must ensure the form instructions are available to employees when completing this form. Employers are liable for failing to comply with the requirements for completing this form. See below and the [Instructions](#).

ANTI-DISCRIMINATION NOTICE: All employees can choose which acceptable documentation to present for Form I-9. Employers cannot ask employees for documentation to verify information in **Section 1**, or specify which acceptable documentation employees must present for **Section 2** or Supplement B, Reverification and Rehire. Treating employees differently based on their citizenship, immigration status, or national origin may be illegal.

Section 1. Employee Information and Attestation: Employees must complete and sign Section 1 of Form I-9 no later than the **first day of employment**, but not before accepting a job offer.

Last Name (Family Name)	First Name (Given Name)	Middle Initial (if any)	Other Last Names Used (if any)

Address (Street Number and Name)	Apt. Number (if any)	City or Town	State	ZIP Code

Date of Birth (mm/dd/yyyy)	U.S. Social Security Number	Employee's Email Address	Employee's Telephone Number

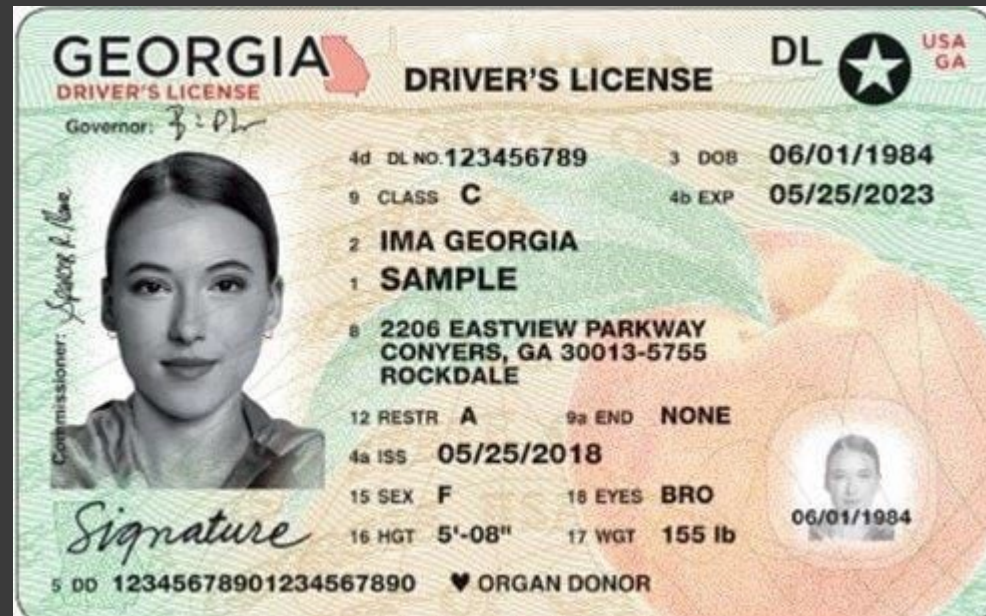
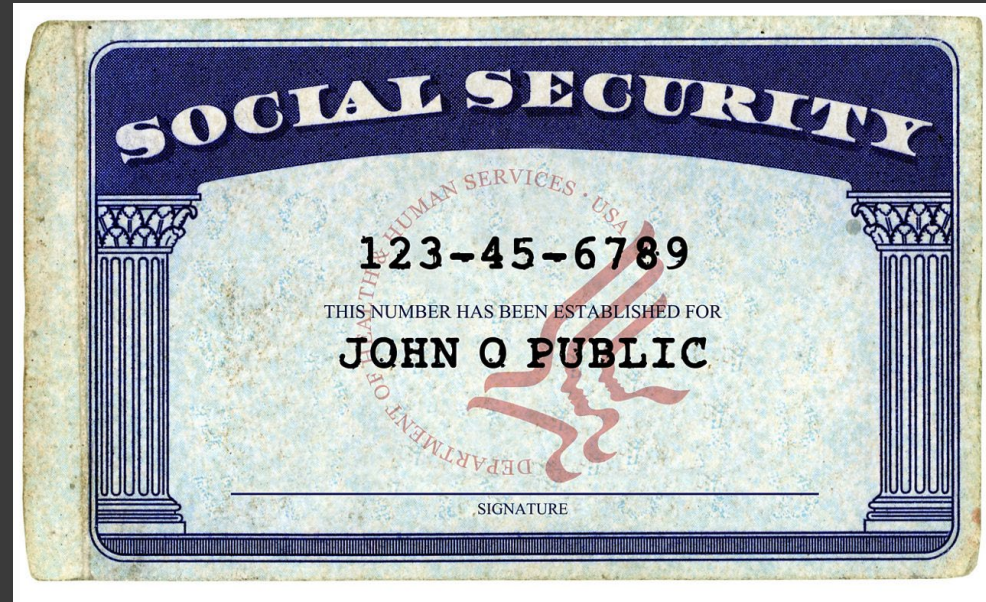
<p>I am aware that federal law provides for imprisonment and/or fines for false statements, or the use of false documents, in connection with the completion of this form. I attest, under penalty of perjury, that this information, including my selection of the box attesting to my citizenship or immigration status, is true and correct.</p>	Check one of the following boxes to attest to your citizenship or immigration status (See page 2 and 3 of the instructions.):				
	<input type="checkbox"/>	1. A citizen of the United States			
	<input type="checkbox"/>	2. A noncitizen national of the United States (See Instructions.)			
	<input type="checkbox"/>	3. A lawful permanent resident (Enter USCIS or A-Number.)			
	<input type="checkbox"/>	4. A noncitizen (other than Item Numbers 2. and 3. above) authorized to work until (exp. date, if any)			
If you check Item Number 4. , enter one of these:					
	USCIS A-Number	OR	Form I-94 Admission Number	OR	Foreign Passport Number and Country of Issuance

Signature of Employee	Today's Date (mm/dd/yyyy)

If a preparer and/or translator assisted you in completing Section 1, that person **MUST** complete the [Preparer and/or Translator Certification](#) on Page 3.

SECTION 2

- Filled out by the employer.
- Must be completed within 3 days of employment.



LISTS OF ACCEPTABLE DOCUMENTS

All documents containing an expiration date must be unexpired.

* Documents extended by the issuing authority are considered unexpired.

Employees may present one selection from List A or a combination of one selection from List B and one selection from List C.

Examples of many of these documents appear in the Handbook for Employers (M-274).

LIST A Documents that Establish Both Identity and Employment Authorization	OR	LIST B Documents that Establish Identity	AND LIST C Documents that Establish Employment Authorization
1. U.S. Passport or U.S. Passport Card		1. Driver's license or ID card issued by a State or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address	1. A Social Security Account Number card, unless the card includes one of the following restrictions: (1) NOT VALID FOR EMPLOYMENT (2) VALID FOR WORK ONLY WITH INS AUTHORIZATION (3) VALID FOR WORK ONLY WITH DHS AUTHORIZATION
2. Permanent Resident Card or Alien Registration Receipt Card (Form I-551)			
3. Foreign passport that contains a temporary I-551 stamp or temporary I-551 printed notation on a machine-readable immigrant visa		2. ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address	2. Certification of report of birth issued by the Department of State (Forms DS-1350, FS-545, FS-240)
4. Employment Authorization Document that contains a photograph (Form I-766)		3. School ID card with a photograph	
5. For an individual temporarily authorized to work for a specific employer because of his or her status or parole: a. Foreign passport; and b. Form I-94 or Form I-94A that has the following: (1) The same name as the passport; and (2) An endorsement of the individual's status or parole as long as that period of		4. Voter's registration card	3. Original or certified copy of birth certificate issued by a State, county, municipal authority, or territory of the United States bearing an official seal
		5. U.S. Military card or draft record	
		6. Military dependent's ID card	4. Native American tribal document
		7. U.S. Coast Guard Merchant Mariner Card	5. U.S. Citizen ID Card (Form I-197)
		8. Native American tribal document	6. Identification Card for Use of Resident Citizen in the United States (Form I-179)
		9. Driver's license issued by a Canadian government authority	

ID SELECTION

- Federal law explicitly prohibits employers from requesting more or different documents than what's required by the Form I-9 process.
 - If an employee provides one valid document from List A, that alone satisfies their Form I-9 requirements.
 - Requiring additional documents from List B or C in this scenario is unlawful.
 - Immigration and Nationality Act

E-VERIFY

- Utah requires businesses to use E-Verify in the following situations:
 - Businesses with 150 or more employees
- HB214 would have dropped this down to 5 employees but did not pass.
- Likely we will see this bill again next year.



CRIMINAL INVESTIGATION

- I-9 audits start as administrative investigations but can turn into criminal investigations if serious violations are uncovered.
- Behavior that could necessitate criminal charges:
 - Knowingly hiring or employing unauthorized workers.
 - Fraudulent document practices, such as creating fake documentation.
 - Obstruction of justice or deliberate concealment of evidence during an investigation.
 - Repeated or intentional disregard of I-9 compliance requirements.

PENALTIES

- Paperwork Violations (civil): \$252 - \$2,507 per violation
- Knowingly Employing Unauthorized Worker (civil): \$627 - \$25,076 per violation
- Knowingly Employing Unauthorized Workers (criminal):
 - Up to \$3,000 per unauthorized employee and/or imprisonment up to 6 months (first offense).

STORAGE

- Store I-9s separately from other employment documentation.
- Paper Document Storage
- Digital Storage
 - DHS has additional requirements for storing I-9s digitally. (8 CFR Part 274a)
 - Audit Trail
 - Access Control
 - Printing w/ Short Notice

RETENTION RULES

- You must keep a Form I-9 for each employee for:
 - 3 years after the date of hire, or
 - 1 year after the date of termination,
 - Whichever is later.



ID STORAGE

- ICE does not require that you store copies of employee IDs
- If you do store IDs make sure you are storing them for all employees.



EMPLOYMENT AUTHORIZATIONS

- Be careful with work authorization dates.
- Failing to re-verify expired work authorizations can tick the investigation up to criminal.



WHAT IF I HAVE NOTHING?

- Start filling out I-9s for everyone on your crew today.
- Do not back-date documents. Getting caught forging dates will turn your audit criminal.
- It's better to look like you're trying to fix things than trying to hide things.

DHS/ICE RAID CHECKLIST

- Assign a specific staff member as the primary contact.
- Train employees to immediately notify the immigration point person.
- Ensure proper signage is displayed on all private and non-public workspaces

ICE VISITS

1. Ask agents if they have a warrant.
2. If no warrant is presented, deny access to employees, documents, and non-public areas.
3. If a warrant is presented, review it carefully.
 1. Judicial issued by a federal court, signed by a judge.
 2. Dates, location, etc.
 3. Administrative does not grant access to non-public areas

JUDICIAL WARRANTS v. IMMIGRATION WARRANTS

AO 93 (Rev. 12/09) Search and Seizure Warrant

UNITED STATES DISTRICT COURT

for the
Eastern District of California

In the Matter of the Search of _____)
(Briefly describe the property to be searched)
or identify the person by name and address)) Case No. _____)
_____)
Davis, California 95616)

SEARCH AND SEIZURE WARRANT

To: Any authorized law enforcement officer **211-SW-0161 EFB**

An application by a federal law enforcement officer or an attorney for the government requests the search of the following person or property located in the EASTERN District of CALIFORNIA
(Identify the person or describe the property to be searched and give its location):
SEE ATTACHMENT A, ATTACHED HERETO AND INCORPORATED BY REFERENCE

The person or property to be searched, described above, is believed to conceal (Identify the person or describe the property to be seized):
SEE ATTACHMENT B, ATTACHED HERETO AND INCORPORATED BY REFERENCE

I find that the affidavit(s), or any recorded testimony, establish probable cause to search and seize the person or property.

YOU ARE COMMANDED to execute this warrant on or before 5-9-2011
(not to exceed 14 days)

in the daytime 6:00 a.m. to 10 p.m. at any time in the day or night as I find reasonable cause has been established.

Unless delayed notice is authorized below, you must give a copy of the warrant and a receipt for the property taken to the person from whom, or from whose premises, the property was taken, or leave the copy and receipt at the place where the property was taken.

The officer executing this warrant, or an officer present during the execution of the warrant, must prepare an inventory as required by law and promptly return this warrant and inventory to United States Magistrate Judge _____
(name)

I find that immediate notification may have an adverse result listed in 18 U.S.C. § 2705 (except for delay of trial), and authorize the officer executing this warrant to delay notice to the person who, or whose property, will be searched or seized (check the appropriate box) for _____ days (not to exceed 30).
 until, the facts justifying, the later specific date of _____

Date and time issued: 4-25-2011
9:10:00 AM

City and state: SACRAMENTO, CALIFORNIA

Edmund F. Brennan
Judge's signature

EDMUND F. BRENNAN, U.S. MAGISTRATE JUDGE
Printed name and title

Is this the right address?

Is it still current?

Note: only the person, property, & areas specified may be searched

Is it actually signed by a judge?

IF THE ANSWER TO ALL OF THESE IS YES, THEN IT IS LIKELY A VALID JUDICIAL WARRANT

DEPARTMENT OF HOMELAND SECURITY
U.S. Immigration and Customs Enforcement
WARRANT OF REMOVAL/DEPORTATION

File No: _____
Date: _____

To any immigration officer of the United States Department of Homeland Security:

_____ (Full name of alien)
who entered the United States at _____ on _____ (Place of entry) (Date of entry)

is subject to removal/deportation from the United States based upon a final order by:

- an immigration judge in exclusion, deportation, or removal proceedings
- a designated official
- the Board of Immigration Appeals
- a United States District or Magistrate Court Judge

and pursuant to the following provisions of the Immigration and Nationality Act _____

I, the undersigned officer of the United States, by virtue of the power and authority vested in the Secretary of Homeland Security under the laws of the United States and by his or her direction, command you to take into custody and remove from the United States the above-named alien, pursuant to law, at the expense of:

THESE ARE VISUAL CUES THAT THIS IS AN IMMIGRATION WARRANT

(Signature of immigration officer)

(Title of immigration officer)

SAMPLE



FORM 1099

- Required to pay to anyone providing services
- Over \$600 in one year
- \$2,000 starting 2026
- Not needed for S or C corps
- Issue 1099 to subcontractor and file the 1099 with the IRS
- File Form 1096 with the IRS
- Much easier to do this electronically



NO TAX ON OVERTIME

- Federal income tax deduction for "qualified overtime compensation" for employees.
- Effective retroactively to January 1, 2025, and expiring after 2028.
- Employees can deduct up to \$12,500 (\$25,000 for joint filers) in qualified overtime pay.
- Phases out for single filers with income exceeding \$150,000 (\$300,000 for joint filers).
- Does not affect Social Security and Medicare taxes (FICA taxes). Overtime pay is still subject to these payroll taxes.

NO TAX ON OVERTIME

- The OBBB specifies that "qualified overtime compensation" applies to overtime required under Section 7 of the Fair Labor Standards Act (FLSA). This generally means hours worked over 40 in a workweek.
- Employers would exclude any overtime paid solely due to state laws or collective bargaining agreements that don't align with FLSA overtime.
- Employees tend not to understand how this is going to work.
 - Be prepared to explain why their net pay is not increasing as they might have anticipated.

SECTION 179

- Deducting the Cost of Equipment as an Expense
- Write off the full cost of qualifying equipment and property in the year you buy it, instead of depreciating it over several years
- Max deduction for 2025:
\$2,500,000
- You can't use Section 179 to create a business loss - you must have enough income to absorb the deduction



OBBB EXPANSION

- The maximum Section 179 deduction is increased to \$2.5 million, with a higher phase-out threshold of \$4 million, effective for tax years beginning after December 31, 2024.
- If you purchase \$4,200,000 in qualifying equipment:
 - Your purchases exceed the threshold by: $\$4,200,000 - \$4,000,000 = \$200,000$.
 - Your maximum deduction of \$2,500,000 is reduced by this \$200,000.
 - Your new effective maximum Section 179 deduction for the year would be: $\$2,500,000 - \$200,000 = \$2,300,000$.

100% BONUS DEPRECIATION

- Things that could be included:
 - Used Equipment
 - Property with a recovery period of 20 years or less
 - Large Purchases
- Can be used to create a loss
- Has to be applied after Section 179
- Based off asset class
 - Section 179 can be itemized, bonus depreciation requires you deduct all assets in a particular class.

AUTO LOAN INTEREST DEDUCTION

- Effective: 2025-2028
- Loan must have originated after December 31, 2024
- Available to standard and itemizing filers.
- Can deduct up to \$10,000 per year in interest paid
- Starts phasing out at \$100,000 AGI for single filers, \$200,000 for joint.
- Vehicle must be:
 - New
 - Final Assembly In The United States
 - For Personal Use Only

QUALIFIED PRODUCTION PROPERTY

- A new elective 100% bonus depreciation is also available for qualified production property (QPP)—primarily non-residential real property used in manufacturing or production activities.
 - Pre-fab facilities, workshops, manufacturing spaces, etc.
- Construction must begin between January 20, 2025 and December 31, 2028, and the property must be placed in service by December 31, 2030.

QBID – SECTION 199A

- No C Corporations
- No Health, law, accounting, actuarial science, performing arts, consulting, athletics, financial services, or brokerage services
- W2 wages
 - You can deduct up to 20% of QBI, but no more than 50% of the W-2 wages your business paid during the year.
- Equipment
 - $QBID \leq 25\% \text{ of } W-2 \text{ wages} + 2.5\% \text{ of qualified property}$



199A EXAMPLE

- Let's say you:
 - Earned \$500,000 in profit
 - Paid \$100,000 in W-2 wages
 - Own \$400,000 worth of trucks and equipment (unadjusted basis)
- Your QBID would be capped at the greater of:
 - 50% of W-2 wages → \$50,000
 - 25% of wages + 2.5% of property →
 - \$25,000 + \$10,000 = \$35,000
- So you could claim up to \$50,000 as your QBID.

WHAT IS THE DEAL WITH BOI?

- The Corporate Transparency Act (CTA) mandated that certain U.S. companies begin reporting their beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN) starting January 1st 2024.
 - Existing Companies (formed before January 1, 2024): Had until January 1, 2025, to submit their initial BOI reports.
 - New Companies (formed between January 1, 2024, and January 1, 2025): Were given 90 days from their formation date to file.
 - Companies formed on or after January 1, 2025: Would have 30 days from formation to submit their reports.

WHAT'S HAPPENED IN 2025?

- March 2, 2025: The U.S. Department of the Treasury announced a suspension of enforcement of the BOI reporting requirements for U.S. citizens and domestic reporting companies. This meant that while the reporting requirements technically remained in place, no penalties would be imposed for non-compliance during this period.
- March 26, 2025: FinCEN issued an interim final rule revising the definition of "reporting company." Under this new rule:
 - U.S.-based entities are exempt from BOI reporting requirements.
 - Foreign entities registered to do business in the U.S. are still required to report, with specific deadlines based on their registration date.

WHAT ACTION HAVE YOU TAKEN?

- If You Did Not Submit a BOI Report:
 - Given the suspension and subsequent exemption for U.S. companies, there are no penalties for not having submitted a report during this period.
- If You Already Submitted a BOI Report:
 - Don't worry about it.

SO WHY BRING IT UP?

- It might happen again.
- Keep an eye on FinCEN/US Treasury websites.
- Periodically check with your attorney.



FRAUD ISSUES

- BOI has become a common target for fraudulent behavior.
- FinCEN does not have a “Form 4022” or a “Form 5102.” Do not send BOI to anyone by completing these forms.
- Correspondence or other documents referencing a “US Business Regulations Dept.”
 - This correspondence is fraudulent; there is no government entity by this name.

THINGS TO LOOK OUT FOR:

- Correspondence requesting payment. There is NO fee to file BOI directly with FinCEN. FinCEN does NOT send correspondence requesting payment to file BOI.
- Correspondence that asks the recipient to click on a suspicious URL or to scan a suspicious QR code.
- Correspondence regarding penalties. FinCEN does NOT send initial correspondence regarding CTA penalties via e-mail or over the phone.

EXEMPT VS. NON-EXEMPT

- Some types of employees can be classified as “Exempt”, meaning they are ineligible to receive overtime.
- More commonly we refer to these as “salaried” employees.



EXEMPT REQUIREMENTS

- In order to classify someone as exempt the employee must:
 - Receive at least \$684 dollars in pay per week.
 - (\$17.10 per hour)
 - (\$35,568 annually)
 - This pay cannot be contingent on available work.
 - The employer is allowed to use commissions, bonuses, or other incentives to make up 10% of the salary requirement.
 - Not be performing manual labor.



EXAMPLE 1: SUPERINTENDENT

- Responsibilities:
 - Jobsite Supervision
 - Bill Approval
 - Customer Satisfaction
 - Quality Control
 - Punch List
- Paid \$31 per hour.
- Can we move this employee to exempt?



EXAMPLE 2: FOREMAN

- Responsibilities:
 - Oversees 7 man fence installation crew
 - Operates forklift and attachments for loading and unloading of trucks and moving materials
 - Must be able to lift 100 lbs.
- Paid \$28 per hour
- Can we move this employee to exempt?



EXAMPLE 3: PURCHASING AGENT

- Responsibilities:
 - Evaluates Suppliers
 - Negotiates Contracts
 - Reviews Material Quality
- Paid \$16 per hour.
- Can we move this employee to exempt?



PAY DEDUCTIONS

- We move our superintendent over to a salaried classification.
- During the next pay period he leaves for two hours for a dentist appointment.
- Can we dock his pay to cover the two hours?



PAY DEDUCTIONS

- Some legal situations where an employer may deduct pay:
 - Employee is absent from work for one or more full days for personal reasons other than sickness or disability.
 - For absences of one or more full days due to sickness or disability if the deduction is made in accordance with a policy or practice of providing compensation for salary lost due to illness.
 - To offset amounts employees receive as jury/witness fees or military pay.
 - For penalties imposed in good faith for infractions of safety rules of major significance.
 - Unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.