



## NDRA Chairman Gary Hanson

Gary Hanson was elected Chairman of the ND Retail Association at the annual NDRA / NDPMA joint board meeting in July. Hanson has been on the board of directors since 2004 serving as Vice Chairman for the past three years.

Hanson is excited about the opportunity to serve as the Chairman of NDRA. He is looking forward to working with the staff and membership in representing the retail industry throughout North Dakota.



## All New Hires Must Be Reported to the State

*Barbara Reiersen, Operations Manager - North Dakota Child Support Enforcement*

**Did you know....**The law requires all employers to report all newly hired employees (including full time, part time, and temporary employees, both adults and minors) to the Child Support Enforcement program no later than 20 days after the employee's first day of work.



**Did you know....**There can be penalties if you don't report new hires.

**Did you know....**Electronic new hire reporting is easy and valuable for all types and sizes of employers and 74 percent of new hires are reported electronically. Online tools save time and money and enhance the accuracy and completeness of submitted information. In addition, online tools provide a level of security unmatched by traditional submittal methods such as mail.

**Did you know....**Employers can report individual new hires online or use a secure Web file transfer process to report multiple new hires. Web file transfer continues to grow in popularity and has been reported as being especially beneficial for employers with high turnover rates or large numbers of new hires.

**To report individual new hires online** go to <http://www.nd.gov/dhs/services/childsupport/empinfo/tools/>

**To report a file of multiple new hires** via secure and encrypted Web file transfer contact Child Support Enforcement. Additional information about new hire

reporting requirements and other options for reporting new hires can be found at <http://www.nd.gov/dhs/services/childsupport/empinfo/nwhire/>

**Did you know....**New hire reports are used by state agencies to:

- Increase financial support for children through improved collection of child support.
- Decrease the likelihood of fraud in the unemployment compensation, workers compensation, and public assistance programs.
- Decrease taxpayer burden.
- Verify employment and income of individuals participating in certain federal housing programs.
- Increase collections on defaulted student loans and Department of Education grant overpayments.



The Child Support Enforcement program values its employer partners and welcomes your feedback. If you have comments or suggestions or would like additional information on how to come into compliance with your new hire reporting requirements, contact the

North Dakota Child Support Enforcement program at 701-328-3582 (Bismarck) or 800-755-8530 (toll free), or visit its website at <http://www.childsupportnd.com> (click on "Employers").

Valued NDRA Members:

Happy New Year! We hope you all enjoyed a blessed Christmas Season and 2010 is off to a great start.

In North Dakota, the political candidates are certainly getting out of the gates quickly. We will be keeping an eye on all the key races as the battle for seats in the U.S. Senate and House heat up in the coming months.

Certainly, the victory by Senator-elect Brown in Massachusetts has caught the attention of all the political pundits. Many are calling his win a wake-up call for President Obama and other DC politicians. The American public continues to be frustrated by tough economic times. No U.S. citizen appears to be ready to be steamrolled by health care reform at least not until their voice has been heard. In Massachusetts, those voices were heard loud and clear in the form of votes hammering the ballot box, the echoes of which are still resonating across the nation.

Closer to home, faces will be changing at the State Capitol as well with many long time incumbents they will not be seeking re-election in the upcoming campaign cycle.

If the first few weeks of the New Year are any indication, 2010 might well be remembered as the "Year of Politics" in North Dakota and the nation.

Never underestimate the power of the people. It's what makes America great.

Cautiously optimistic.

Those are the two buzzwords I'm hearing from state tax officials and retailers alike as we all anxiously await the release of tax sales information from the 2009 Christmas shopping season.

I went out on a limb, predicting North Dakota retailers would see a 1-2% increase in sales over 2008. This went against national predictions of a 1% decrease in sales for the same time period. I based my claim on last year's numbers being affected not only by the national economic crisis, but also by the near blizzard conditions the state experienced on a weekly basis for much of the 2008 holiday shopping season.

I felt 2009 would be the year of the "perfect price" rather than the "perfect gift". If surveys from North Dakota retailers hold true, I may have gotten it right for once. Most business operators believe more items were purchased, but the price point was less than in past years. Most business experts also felt 2009 traffic counts in malls and other large outlets were up from the past year. The key will be how big of an impact did the winter storm right before Christmas Eve have on last minute shopping totals.

2009 is in the books and as I look to 2010 I'm always seeking new ways to find that correct balance in life.

I came across the following tips from Tim Berry, founder of Palo Alto Software in California. The pointers reinforce the idea growth, profits, and business health are important, but life and mental health are pretty important, too.

**Respect meals together.** Relationships really need those regular, repeated meal times. It's not the food but rather the talk, the being together, and the comfort of a reliable routine. That's true with or without kids. I thank my wife for always insisting on at least one family meal per day. Stop, step away from that computer, crawl out of the work and look around at the rest of your life.

*Mike Rud - President*

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**Book vacations long in advance.** I plead guilty. I've always loved my work. During years of consulting, there were always crunch times. If we had things booked ahead, we would alert clients in advance and set projects and deadlines accordingly. So vacations actually happened.

**Work at home after dinner.** Place your files somewhere convenient online. Have dinner, spend time with people you love, and when the rest of them settle into their evenings, you can do that extra stuff you were thinking you'd do if you went back to the office.

**Don't obsess. Plan.** Stop pretending you're listening to conversations while obsessing about business. Stop the helicopter mind that keeps you from listening. Slow down the stress. Use good business planning process to break it down into manageable pieces like objectives, tasks, deadlines, steps to be taken, etc. Then write those pieces down somewhere you can access online (I like Evernote for that) and when the thoughts come, get them written down quickly so you can go back to living and free your mind from the business.

**Get regular exercise.** I've discovered in recent years what John Jantsch once called the math of exercise: as long as you stay within reason, you get the time you spend exercising back as increased productivity. Don't skip the run or the workout or whatever for more time with your work. You'll end up getting less done, not more.

Food for thought as the 2010 world of business unfolds.

Best regards,  
Mike Rud



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## 3rd Quarter Taxable Sales & Purchases Slowed but Still on Track



Tax Commissioner  
Cory Fong

Tax Commissioner Cory Fong issued a report that reflects a slowing in taxable sales and purchases for North Dakota during the third quarter, 2009, which includes the months of July, August, and September. While the report reflects a decrease of 10.7 percent, or \$368.5 million, compared to the same quarter in 2008, taxable sales and purchases are up over 2007 statistics.

“Our state experienced a record-setting year in 2008 for taxable sales and purchases in North Dakota. This level of growth was not sustainable,” said Fong. “However, comparing the 2009 report to 2007, you will see that spending levels are right on track, underscoring that North Dakota’s taxable sales and purchases have remained on a steady growth pattern for quite some time.”

Compared to the third quarter 2007, the 2009 report shows growth of 14.1 percent or \$379.8 million over the two-year period. A significant change occurred in this quarter relative to the exemption from sales tax of natural gas used for heating and industrial purposes. Effective July 1, 2009, all natural gas sold in the state became exempt from sales and use taxes. This change in the taxable base accounted for one-third of the overall drop in sales from the third quarter of 2008, when natural gas was subject to a one percent statewide sales tax.

“Although it appears that sales were reduced, in actuality our citizens, business people, ag producers and fuel suppliers alike will all benefit from this exemption, making household and business heating costs less burdensome,” Fong said.

In this report, retail trade, the sector generally looked to as a measure of the economy, was down less than one percent, 0.9 percent, when compared to the same quarter in 2008. Comparing the retail trade sector to the third quarter 2007, it grew 6.9 percent. Inflation during the third quarter of 2009 was actually negative, indicating that prices – like retail sales – were essentially flat.

“Even though we hear reports of weak retail sales at the national level during the all-important Christmas shopping season,” said Fong, “we look forward to seeing the final numbers for North Dakota’s retail sector in the fourth quarter 2009 on into 2010 with a level of cautious optimism.”

“This report, along with reports of the past several years, supports the notion that North Dakota’s diversified economy has helped us weather this economic crisis very well,” said Fong. “And, while North Dakota hasn’t been completely insulated from the national recession, the challenge we face going forward is to remain focused on putting in place the kinds of initiatives that will continue to foster our healthy and productive business climate and sustain our state’s strong economy.”

Complete North Dakota Sales and Use Tax Statistical Reports from Third Quarter 2009 can be accessed on the web at: [www.nd.gov/tax/salesanduse/pubs/reports/2009-3-stat-report.pdf](http://www.nd.gov/tax/salesanduse/pubs/reports/2009-3-stat-report.pdf)

## Change in Required Workplace Equal Opportunity Notification Postings

**New workplace Non Discrimination Posters Required by U.S. EEOC** – The U.S. Equal Employment Opportunity Commission issued a recent rulemaking that changes the federally mandated non-discrimination notification posters that most retailers are required to post in the workplace. The new EEOC posting requirements took effect on November 21, 2009.

The U.S. Equal Employment Opportunity Commission (EEOC) requires employers with 15 or more employees to post specific notices describing the federal laws prohibiting job discrimination based on race, color, sex, national origin, religion, age, equal pay, and disability.

Under Title II of the Genetic Information Nondiscrimination Act of 2008, Congress instructed the EEOC to include a new notice on the poster prohibiting discrimination based on an employee’s **genetic information** in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral and other aspects of employment.

Download and print an entirely new and revised poster on the EEOC website [www.eeoc.gov](http://www.eeoc.gov)

## Looking Ahead to the New Year

An interview with National Retail Federation's president



NRF President  
Tracy Mullin

### What have retailers learned from the recession?

Retailers' biggest takeaway from the recession seemed to be learning how to do more with less. Companies looked at every line item on every balance sheet to make decisions about what to cut. While that understandably forced hard decisions, it also spurred creativity. Retailers made incredible strides with social media, took innovative approaches to inventory management, and found new

ways to grow, all while spending less. Many of the efficiencies that retailers adopted in the last year will serve them well when the economy bounces back and our industry starts growing again.

### How can retailers regain sales and growth momentum in 2010?

Many new and emerging technologies can give retailers a real edge as they look to 2010 and beyond -- merchandise analytics, digital signage, m-commerce and social networking, to name only a few. In addition, there is a remarkable amount of creativity in retailing outside the U.S. that American retailers can learn from and take advantage of that can help them reshape their businesses going forward.

## IRS Announces 2010 Standard Mileage Rates

The Internal Revenue Service issued the 2010 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 50 cents per mile for business miles driven
- 16.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations



The CEO of one of my favorite newcomers, Fast Retailing, will accept the International Retailer of the Year Award at our Annual Convention in January. Executives would be well-served to experience the company's Uniqlo store in New York or visit the company online at <http://www.uniqlo.com/us/> to get a sense of how they're making their mark in retail.

### What leadership lesson would you like to pass on to retail executives?

This is such an important topic that we are featuring a session at our Annual Convention where key retail executives will candidly discuss How Leadership Trumps Hardship.

While I've learned a number of lessons about leadership over the years, I am especially reminded in this environment of how imperative it is that all business leaders surround themselves with the right people. Retail executives must take the time to hire the best people, create an environment that will nurture them and allow them to grow, and rely on them for strategic guidance -- especially when they are challenging your decisions.

For more information on NRF see [www.nrf.com](http://www.nrf.com)

The new rates for business, medical and moving purposes are slightly lower than last year's. The mileage rates for 2010 reflect generally lower transportation costs compared to a year ago.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.



## Small Businesses Are Important Players in North Dakota Business and Job Growth

*Kathryn J. Tobias, Senior Editor U.S. Small Business Administration*

Small businesses will play an important role in the economic future of North Dakota. The Office of Advocacy's Small Business Profile for the state provides details about small business employment, business starts and closings, bank lending in 2008, business ownership by minorities, women, and veterans, and firm and employment change by major industry and firm size.

"North Dakota continues to depend on the health and ingenuity of its small business sector for the state's economic growth," said Susan Walthall, Acting Chief Counsel for Advocacy. "In today's economic climate, it is especially important for policymakers to keep small business concerns in mind as they formulate policy."

Small businesses have proven to be important employment generators. They created 65.5 percent of the state's net new jobs between 2005 and 2006. They accounted for 63.3 percent of North Dakota's total private sector employment in 2006 (using the latest available data).

Small employers in the United States numbered 6 million in 2006, and represented 99.7 percent of the nation's employers and 50.2 percent of its private sector employment.

In 2008, the United States saw a private sector employment decline of 0.7 percent, while employment in North Dakota increased by 3.0 percent. Also in 2008, U.S. real gross domestic product increased by 0.7 percent and North Dakota's gross state product increased by 7.3 percent.

As additional small business data become available over the coming months, they will be incorporated in a new edition of the state profiles, to be issued in early 2010.

For more information and a complete copy of the state and territory small business profiles, visit the Office of Advocacy website at [www.sba.gov/advo/research/profiles/](http://www.sba.gov/advo/research/profiles/).



*North Dakota Secret Service Recommends--*

### Using Black Lights to Detect Counterfeit Currency

"Counterfeiting is pretty steady," says United States Secret Service Agent John Kelly, Fargo, ND. "We tend to

see more in an economic downturn. Our goal is to stop counterfeit transactions where it happens most...at the point of sale."

It seems like more and more counterfeit bills are surfacing in North Dakota. It has been noted by North Dakota law enforcement officials, bankers and retailers that black lights are more reliable than detector pens in spotting counterfeit bills. Agent Kelly says that counterfeit bills have gotten so sophisticated that detector pens are accurate only 60% of the time.

"We want to get away from the pens," says Kelly. "Using a black light to detect counterfeit money is much more fool proof. The ultra violet lights are a new way the Secret Service is promoting to detect counterfeit currency. They are 99% accurate."

The Secret Service was established as a law enforcement agency in 1865. While most people associate the Secret Service with presidential protection, its original mandate was to investigate the counterfeiting of U.S. currency. Since 2003, the Secret Service has made nearly 29,000 criminal arrests for counterfeiting, cyber investigations and other

financial crimes, 98% of which resulted in convictions, and seized more than \$295 million in counterfeit currency.

Counterfeit money that is discovered is to be sent to Agent John Kelly at: United States Secret Service, 657 2nd Ave. N., Suite 302A, Fargo, ND 58102. Questions can also be directed to the Fargo office by calling 701-239-5070.

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The counterfeit detection unit is easy to use. The machine is literally removed for the box, plugged in and turned on. No phone lines, internet connections or cables to attach, and no software to load or update.

## Hidden Credit Card Fees Costing Jobs

As prominent members of the business community discussed job creation at the White House job summit, small business owners and retailers urged Congress and the credit card giants to reform interchange fees in order to enhance merchants' ability to hire new employees.

Based on the national average salary for cashiers, reducing average interchange rates by 1 percent would allow businesses to hire 1.3 million people. If interchange fees were restricted in a way that brought the rate down to Australia's level of 0.5 percent, that could create more than 1.9 million jobs.

Hidden interchange fees, also known as "swipe fees," cost American consumers and businesses \$48 billion annually — an amount that goes straight to big credit card companies and banks, and not to salaries for new employees.

"When the country is in a recessionary time, there are a lot of expenses that curtail profits," said Monte Peterson, owner of Peterson's Market in Riverton, Utah, in a Merchants Payments Coalition (MPC) press release. "In my opinion, one of those expenses is exorbitant credit card swipe fees. They're driving small companies out of business. If we could curtail the expense of credit card swipe fees, it would allow more companies to stay in business, and allow marginal businesses to hire more employees and provide better services."

As the nation's economy has hit its recent rough patch, interchange fees have reached an all-time high. The fees have tripled since 2001, and the average American store owner now pays twice as much in swipe fees as they earn in profits.

"With the unemployment rate at 10 percent, we need to do everything in our power to create new jobs," said Howard Tuthill, owner of Columbine Market in Gypsum, Colo. "Reforming interchange means that I have to pay less to the credit card companies and can start hiring again. Small businesses and our customers

are going to turn this economy around, but we can't do it if the credit card companies keep pocketing all of our profits."

For many businesses, the cost of swipe fees is the largest non-labor cost they face, and are rising faster than any other costs — including health care costs.

"Consumers and merchants are paying \$2 in interchange fees for every \$100 of merchandise that is paid for with plastic," said Jennifer Hatcher, group vice president of government relations at the Food Marketing Institute and MPC member. "You take a year of those \$2 payments, and those are peoples' salaries that are going straight to the credit card companies."

*Merchants Payments Coalition tells Congress that the current level of interchange fees prevent retailers from hiring 1.3 to 1.9 million new employees*

Interchange reform, as proposed in pending legislation, would allow merchants and other business owners to negotiate as a group with credit card companies and banks over swipe fee rates and increase transparency and disclosure.

### Get Involved

NACS launched the online component of its consumer petition campaign — an unprecedented campaign that will generate millions of consumer signatures from convenience store customers, encouraging Congress to reform unfair credit and debit card interchange (or "swipe") fees.

Fightswipefees.com is the new online face of the consumer advocacy campaign. Through this site, convenience store customers can learn more about the effect of hidden swipe fees, sign an online petition to Congress and write a letter to their U.S. senators and representatives. Fightswipefees.com is a fantastic opportunity for you to help the effort by enabling your customers to speak out through the Internet.

Spread the word — the more consumers we enlist in this effort, the stronger our message will be to Capitol Hill.

**FightSwipeFees.com**



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## North Dakota Tax Department Announces New E-File Portal

Tax Commissioner Cory Fong announced that the Tax Department has created a new interactive tool to serve as a portal for electronic filing of individual income tax returns.

"With all the different Free File and IRS E-File companies available to taxpayers, we believe a number of taxpayers missed out on the benefits of Free File in the past because they were overwhelmed by the options available," said Fong. "So we created this interactive tool to help them wade through the free offers and identify which company might work best for them."

The interactive tool is designed to help taxpayers determine whether they qualify for Free File, which consists of software companies that agree to offer free electronic filing to taxpayers who meet certain criteria. By answering a few easy questions taxpayers will quickly learn which Free File provider may work best for them. To access the online tool, taxpayers should go to the Tax Department web site, [www.nd.gov/tax](http://www.nd.gov/tax), and click on one of the e-file logos.

"Our goal is to encourage eligible taxpayers to use Free File as much as possible this tax season" said Fong. "And, with this new interactive tool, we are hoping to lead them to the best Free File solution."

Individuals who are not eligible for Free File, will be able to use the IRS E-File to file both their federal and state returns. Through the IRS e-file program, the e-filed tax return goes directly to the IRS, and the IRS forwards the state its data, which is automatically loaded into the department's computer system.

And, for those taxpayers who might have filed their federal return, either electronically or by paper, they might be eligible to use the newly developed state-only Individual Income Tax WebFile.

"Bottom line - we want to see the number of e-filed returns increase this year," said Fong. "Taxes can be intimidating or cause a certain level of anxiety for some, and we feel that there are taxpayers who did not use Free File because they were unsure which company would ultimately work best for them. This new online tool will remove the guesswork and help determine which method to use - Free File, IRS E-File, or WebFile."

