

National WATS (800) 457-5255

(812) 372-0841 • FAX (812) 372-2687

Visit our **WEBSITE**. www.mjai.com

Columbus, Indiana



The staff of Marvin Johnson & Associates is here to serve you and all your truck insurance needs.

Owner Operators, as Small Business Owners

Being an owner operator has the same pro's and con's as any small business. Are you struggling to make ends meet? Does it seem as though you are working harder, but going no where financially? Maybe the problem isn't the operation of the truck, but rather the operation of your business.

Even for the most experienced contractor or small fleet owner, it is useful from time to time to get "back to basics." Remember, success is largely a function of your business skills not your driving ability. The key is to keep it simple and control what you can control!

Do you have a plan? If not, get one!

- Having a plan is like a builder having a blueprint. Your business plan should be your blueprint of where you want your business to go.
- Once you have a plan, you can modify and tweak as various situations arise. Because, rest assured, the one constant in business ownership is change.

Once you have a business plan and begin to execute it by running your business, you will be able to measure your success by the profit you are generating. If you are not delivering the profits you want or need, it can only be one of two things: not enough income or too much expense. REMEMBER... KEEP IT SIMPLE!

continued on pg. 2

Owner Operators as Small Business Owners

continued from front page

Maximize Income

- Work Ethic: You can't generate income while truck is parked.
- Load Acceptance: Take the best load available. Keep the wheels rolling!
- Constant communication with dispatch: Let them know what loads you like and dislike. They work for you!

Minimize Expense

- Control what you can control. The two largest controllable expenses are Food and Fuel.

Food – Eat on the road as you would eat at home. IRS allows per diem deduction of \$52 per day (overnight away from home) of which 75% is deductible for truckers. That means you get a \$39 deduction whether you spend that amount on food or not.

Fuel – Manage how you purchase fuel with a trip plan. Shop on line for prices based on your route. You want quality fuel at the best price. Don't forget to consider how long it will take...time is money!!! Understand

the fuel surcharge program with your carrier. SLOW DOWN...ONE MPG INCREASE CAN SAVE APPROXIMATELY \$10k PER YEAR.

These are just a few small ways you can make your business more profitable. Having the necessary skills and experience **to operate your equipment** properly is only half the battle; having the skills and experience necessary **to operate your business** properly is the other half.

Marvin Johnson Introduces **Central Business Services** *Business Managers for the Owner Operator*

Marvin Johnson & Associates is happy to introduce Central Business **Services, Inc.** CBSI manages the business side of trucking so the owner operator or small fleet owner doesn't have to. CBSI has specialized in providing tax and financial services for the trucking industry for 20+ years. They have partnered with thousands of clients to provide them the necessary financial information they need to build a plan and run their business.

CBSI works with carriers, small fleets and individual owner operators to provide them with the financial information they need to manage their money, keep them out of trouble with the IRS and help their business become more profitable.

Here are some of the things Marvin Johnson believes CBSI do for you:

Owner Operators:

CBSI works with you on a monthly and quarterly basis to help you manage your business profitably and stay out of trouble

with the IRS. Their staff of tax and trucking specialists provide:

- Preparation of Federal and State Tax returns
- Monthly and Year To Date Profit and Loss Statements
- Quarterly Estimated Tax Forecast, Analysis and Payment Vouchers
- Cost/Revenue per mile analysis
- Unlimited business advice
- Resolution of tax problems with either the IRS or state taxing authorities

Small Fleets:

CBSI understands the needs of small fleet owners and will provide you with:

- Generation of Monthly and Year-To-Date Profit and Loss Statements by unit. This allows you to measure the profitability of each truck and your overall operation.
- Cost/Revenue per mile analysis by unit
- Quarterly Estimated tax projections
- Business and Personal Tax Return Preparation
- Business Counseling
- Resolution of tax problems with either the IRS or state taxing authorities
- Retirement Planning

Company Drivers:

There are many aspects of the Tax Code that have a dramatic impact on the professional driver. In particular, knowing exactly what over-the-road expenses can be used as tax deductions can drastically reduce the amount of tax that you pay. For Company Drivers, CBSI provides:

- Preparation of Federal and State tax returns
- Year round tax planning and advice
- IRS and State problem resolution
- Financial guidance regarding personal budgeting, retirement planning and credit improvement.

Tax time is here.

Are you prepared?

Call your Marvin Johnson agent and ask about CBSI today.

Or you call Central Business

Services, Inc. direct at

888-255-3939 /

www.cbstrucktax.com

Tell them you were sent by

Marvin Johnson & Associates!

Safety-Loss Prevention Department Seminar Training Dates

This information will be updated as times and locations are confirmed

2007

February 3

Hours of Service Rules Review
Mid-West Truckers Truck Show
Peoria, IL

March 7

New Entrant Seminar, "You've Got Your DOT Number, Now What?" 9:00 a.m. to 4:00 p.m.
Indianapolis, IN
Indiana Motor Carrier Enforcement Offices, Ameriplex (no charge) (fee charged by Mid-West Truckers)

April 18

Yellow Van Tour "DOT Audit Review/Regulation Update" 9:00 a.m. to 4:00 p.m.
Columbus, IN
Holiday Inn Conference Center (clients only, no charge)

April 26

Indiana Motor Truck Association, "DOT Compliance Seminar" 9:00 a.m. to 4:00 p.m.
Indianapolis, IN
(fee charged by IMTA)

May 1-2

Mid-West Truckers, "DOT Compliance Seminars" Chicago area
(fee charged by Mid-West Truckers)

May 9

Yellow Van Tour "DOT Audit Review/Regulation Update" 9:00 a.m. to 4:00 p.m.,
Plymouth, IN
Swan Lake Resort
(clients only, no charge)

June 13

Yellow Van Tour "DOT Audit Review/Regulation Update" 9:00 a.m. to 4:00 p.m.
Ft. Wayne, IN
(clients only, no charge)
Ft. Wayne Marriott

June 20

New Entrant Seminar, "You've Got Your DOT Number, Now What?" 9:00 a.m. to 4:00 p.m.
Indianapolis, IN
Indiana Motor Carrier Enforcement Offices, Ameriplex (no charge)

July 18

Yellow Van Tour "DOT Audit Review/Regulation Update" 9:00 a.m. to 4:00 p.m.
Findley, OH
Country Inn & Suites
903 Interstate Drive
(clients only, no charge)

August 8

Yellow Van Tour "DOT Audit Review/Regulation Update" 9:00 a.m. to 4:00 p.m.
Wadsworth, OH
The Galaxy Restaurant
(clients only, no charge)

August 15

Yellow Van Tour "DOT Audit Review/Regulation Update" 9:00 a.m. to 4:00 p.m.
Wilmington, OH
Holiday Inn, Roberts Center
(clients only, no charge)

October

Ohio Trucking Association
"DOT Compliance Seminars"
Tentative dates of 10-9, 10-10, 10-16 and 10-17
(fee charged by OTA)

November

Mid-West Truckers
"DOT Compliance Seminars"
Tentative dates the second and third weeks
(fee charged by Mid-West Truckers)

December 5

New Entrant Seminar, "You've Got Your DOT Number, Now What?" 9:00 a.m. to 4:00 p.m.
Indianapolis, IN
Indiana Motor Carrier Enforcement Offices, Ameriplex (no charge)



2007 Yellow Van Tours

We have had fantastic feed-back from those who attend our Yellow Van Tour Seminars. In the past we have covered topics such as "Log Auditing," and "Safety Department Management." We just finished up the 2006 Yellow Van Tour which focused on hiring and retaining quality drivers.

The topic of the 2007 Yellow Van Tours will be "Getting Through a DOT Audit Successfully." For 2007, the meeting dates are:

- Wednesday, April 18
Columbus, Indiana
- Wednesday, May 9
Plymouth, Indiana
- Wednesday, June 13
Ft. Wayne, Indiana
- Wednesday, July 18
Findlay, Ohio
- Wednesday, August 8
Wadsworth, Ohio
- Wednesday, August 15
Wilmington, Ohio

We'll be doing some direct mailings to all of our clients as reminders after the first of the year. As in the past, these seminars will be free of charge and contain lots of pertinent valuable information. So, we encourage you to plan ahead and get as many of your administrative, operations, safety personnel in attendance as possible.

Regulation Changes to Watch for in 2007

The Federal Motor Carrier Safety Administration (FMCSA) has several regulatory issues which should have some activity during 2007. Here is what we know about them at the present time.

Electronic On-Board Recorders (EOBRs)

The Notice of Proposed Rulemaking (NPR) was published in the Federal Register on January 18. The proposed rule contains three main components. It identifies the performance specifications for the new technology, outlines regulatory incentives to encourage the trucking industry to adopt EOBRs and establishes criteria that would trigger a requirement for certain motor carriers to equip their trucks with EOBRs if they were found to have serious and continuing problems complying with mandatory driver work and rest rules.

Those motor carriers who would be mandated to use electronic on-board recorders would be those "motor carriers that have demonstrated a history of serious noncompliance with HOS rules". FMCSA defined serious noncompliance as a rate of violation greater than 10 percent showing up in audits twice during a two-year period.

FMCSA will offer incentives for the voluntary use of EOBRs by all motor carriers. Those incentives would take the form of regulatory relief from certain recordkeeping requirements in an attempt to get more trucks and buses using innovative safety technologies to improve road safety.

The proposal would require EOBRs to record information including the driver's identity, duty status, date, time and location, and distance traveled. It would also add a new requirement to use global positioning system technology or other location-tracking systems to automatically identify the location of the vehicle, which further reduces the likelihood of falsification of HOS information.

For the full 220 page document, go to www.mjai.com and click on "Important Information regarding Electronic On-Board Recorders" on the front page.

Supporting Documents

This rule has been put on hold once again. When proposed, this rule would require the use and retention of supporting documents by motor carriers to audit the accuracy of driver logs. The proposed regulations should better define and provide specific examples of a "supporting document."

Commercial Driver's License (CDL)

CDL regulations will see some updating in the near future. First the FMCSA is pushing to merge the federal medical card with the CDL. Also, FMCSA wants the states to standardize the requirements and procedures involving the CDL learner's permit requirements. Also, due to requirements signed in 2006, proof of citizenship will be required at the time of issuance or renewal of a CDL. These regulations would require the cooperation of the state, as they are the authority that actually issues the CDLs.

Intermodal Chassis Maintenance Responsibility and Requirements

This rule is designed to assign responsibility for the maintenance and repair of intermodal chassis. The proposed rule would require Intermodal equipment owners to register equipment, display identification numbers, establish inspection, maintenance and repair procedures and quickly respond to carrier complaints.

New Entrant Safety Assurance Process

This proposed rulemaking would raise the standard of compliance for passing the new entrant safety audit.

Medical Review Board

This newly created board is reviewing the medical requirements at this time.

National Registry of Certified Medical Examiners (NRCME)

The FMCSA is conducting listening sessions and accepting comments on the proposal to create a NRCME to train and certify the doctors that are performing the FMCSA physicals.

Diabetic Driver Standards

The FMCSA is exploring procedures to allow drivers that require injected insulin an easier path to interstate operation. The present regulations require the drivers that are treated with injected insulin to go through a lengthy exemption process.

SafeStat Updates

The SafeStat system is being reviewed for needed changes to the methodology and recordkeeping.

continued

Regulation Changes

continued

Database of Positive Drug and Alcohol Results

This is only in the discussion stage at the federal level. There are major concerns within FMCSA pertaining to the privacy and the correctness of the data in such a database. However, some states presently have databases in operation to show positive drug and alcohol test results.

Carrier Registration System

The changes here include consolidating several registration systems and replacing the Single State Registration System (SSRS) with the Uniform Carrier Registration Agreement (UCRA). However, the start date of the UCRA is unknown. UCRA requires legislative action and laws that are not yet finalized. When finalized, UCRA will require interstate private and for-hire carriers, brokers, freight forwarders and leasing companies to register

Entry Level Driver and Hours of Service

The upcoming actions on these two issues have to do with litigation. In court action in 2006, the FMCSA was told to redo the present entry-level driver training requirements to add driving requirements to the list of training areas. The hours of service arguments were heard in court in December and it is expected that the arguments will be ruled on in early 2007.

The IRA Rollover

How stressful is it to have your husband or wife die? I think most would agree that the death of a spouse is one of life's most traumatic events. Is that traumatic situation made more or less stressful if the deceased had not done proper estate planning – for example, if the decedent's IRA is payable to his estate because he never bothered to name a beneficiary?

I think most people would say that the loss of a spouse is even more stressful if that spouse did not leave his financial affairs in proper order.

But widows and widowers in that difficult situation see a light at the end of the tunnel. Thanks to a longstanding, wise, and generous IRS policy, even though the decedent forgot to name the surviving spouse as beneficiary, the widow or widow-er can still salvage the situation by using a spousal rollover.

If the widow or widower is the

beneficiary of the estate (or trust) that is the beneficiary of the IRA, all he/she has to do is distribute the IRA or retirement plan money to him/herself as beneficiary of the estate (or trust), then roll it over to his/her own plan or IRA, and all is well! Right?

Wrong! Yes, that IS the IRS policy — provided certain conditions are met. The conditions are that the spouse must have the right, as beneficiary, without the consent of any third party, to cause those benefits to be distributed to him/her. If the allocation and/or distribution of the benefits

to the surviving spouse (through the estate or trust) are subject to the discretion of a third party, this condition is not met — unless the surviving spouse him/herself is the fiduciary who holds that discretion.

But even if these conditions ARE met, this longstanding, wise, and generous IRS policy is not embodied in a form that taxpayers can rely upon, such as a regulation or Revenue Ruling. Rather it appears only in private letter rulings.

Contact Marvin Johnson's Benefit

Per Diem Alert!

IRS Guidance May Jeopardize Per Diem Programs

On November 9, 2006, the IRS released guidance that significantly impacts per diem expense reimbursement programs. In its Revenue Ruling 2006-56, the IRS concluded that a trucking company's per diem program abused the IRS rules for tax-free expense reimbursement because the program failed to account for reimbursements that exceeded the current \$52.00 per day federal meals and incidental expense (M&IE) rate. As a result, all of the company's M&IE expense reimbursements - not just the

excess of the \$52.00 per day rate - were reclassified as wages subject to income and employment tax.

This Revenue Ruling emphasizes the importance of capping per diem reimbursements at the federal M&IE rate because the consequences can result in significant tax liability for motor carriers. The IRS indicates it will not enforce its new ruling prior to January 1, 2007, and so all motor carriers should assure that their per diem programs are compliant for the new year.

44th Annual Mid-West Truck Show

Come See Us at the 1st Show of the Season!

*February 2-3
Peoria, Illinois
at the
Peoria Civic Center*



It's Show Time!

34th Annual
Mid-America Truck Show
March 22-24, Louisville, Kentucky

It's that time of year again, that's right... the **34th Annual Mid America Truck Show, March 22-24 in Louisville, Kentucky.** The East wing of the State Fairgrounds has been demolished and is being rebuilt, bigger and better. So this year we have moved and you will find us in the newly-renovated **South**

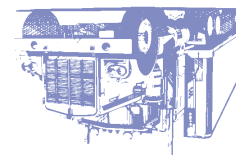
Wing of the Kentucky State Fairgrounds, booth 3130. Be sure to come see us and see what we can do for you in 2007. Contact your agent or CSR and we'll send you **free admission tickets**, courtesy of Marvin Johnson & Associates. See you at the Show!

Visit our WEBSITE. www.mjai.com

Includes: Company Information, Personnel Biographies, Pictures, Upcoming Events, Newsletter

Specializing in Trucking Insurance

MARVIN JOHNSON DISPATCHER
Marvin Johnson & Associates, Inc.
P.O. Box 1849
Columbus, Indiana 47202



PRESPORT STD
U.S. POSTAGE
PAID
COLUMBUS, IN
PERMIT NO. 19