

# FLATBED FORUM



A bi-monthly newsletter for small business owners in flatbed transportation.

VOLUME 2, ISSUE 1

1.15.2019

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## How Tax Reform will Affect Truckers in 2019 by ATBS, A Truckers Tax Company

On December 20, 2017, the United States Congress passed the largest reform to the Internal Revenue Service Tax Code since the early 1980s. This legislation will begin impacting taxpayers in 2018 and through December 2025. Although the legislation was originally expected to simplify the tax filing process, many of the changes have added complexity to the tax code and filing process. Below is a summary of certain key parts of the legislation that will impact many truck drivers, both company and owner-operator. For a complete guide on the changes, please download our free eBook, *The Owner-Operator's Guide to the Tax Cuts and Jobs Act*.

### Qualified Business Income Deduction

Under the Tax Cuts and Jobs Act, a significant change was made that adds a 20% deduction for taxpayers who have "Qualified Business Income" ("QBI") from a sole proprietorship, partnership, or S-corporation. The term QBI is generally defined as the amount of net income from a qualified trade or business. Owner-operators will receive the new pass-through entity QBI 20% deduction no matter what business structure they operate under. For the average single sole proprietor owner-operator, this will save approximately \$2,000 in taxes starting in 2018. There are limitations, thresholds, and exclusions relating to the calculation of the deduction and you should seek a tax preparer who understands trucking to determine this amount.

### Depreciation and Section 179 Expensing

The new tax law changed these rules and extended the use of bonus depreciation. For now and through the year 2022, businesses are allowed to immediately deduct 100% of the cost of eligible property in the year the property is placed in service. Previously, bonus depreciation was only available for new property. This rule has been eliminated and bonus depreciation may be used for both new and used property.

Section 179 permits the immediate expensing of certain depreciable tangible personal property – like tractors and trailers – up to a maximum amount of \$500,000. The Tax Cuts and Jobs Act expanded the definition of Section 179 property and increased the maximum amount that a taxpayer may expense to \$1,000,000 and increased the phase-out threshold to \$2,500,000. Like all parts of this new tax legislation, extreme care and expert advice are needed for Section 179 Expensing. For instance, owner-operators should not automatically assume that it's a good business strategy to take full depreciation for 2018 or 2019 taxes even though it might be allowed.

### Standard Deduction

The new tax law significantly increased standard deduction amounts. The increase in the standard deduction will likely benefit those taxpayers who do not itemize today. Generally, many company drivers who have itemized their deductions under past tax law will likely not itemize in the future as their itemized deductions will not exceed the standard deduction.

### Per Diem

Under the new tax laws the per diem deduction is still available to owner-operators. This is a significant tax advantage to the owner-operator; however, it appears that the Tax Cuts and Jobs Act has eliminated this deduction for company drivers. This could increase the tax liability for the average single company driver making \$47,500 by approximately \$600. (But remember, the Standard Deduction has been increased which might offset some of this increased tax.) The items discussed above directly affect truckers. There are also significant changes to other tax law such as the Child Tax Credit, Alimony and Child Support, The Affordable Care Act Penalty, and the new Tax Brackets and Rates that might also affect truckers. We cannot overstate the importance of getting expert tax assistance from someone who understands trucking.

**What does all this mean? It's a mixed bag and every person's tax situation is different depending on their personal circumstances. If you aren't using ATBS for your taxes, make sure your tax preparer is well informed of this information prior to starting your 2018 tax return. If you have any questions or would like ATBS to complete your taxes this year, give ATBS a call at 866-920-2827 or visit our website at [www.atbs.com](http://www.atbs.com)**

## Target Date for 1099's by Toni Sullivan, Manager of Contractor and Agent Settlements



As announced in the previous Flatbed Forum publication, we have a target date for 2018 1099s. 1099-MISC forms will be mailed out the 22nd and 23rd of January later this month. Pre-preparation and review of these forms are being done now. The 1099-MISC forms will be mailed to the address we have on file for you. If you have changed your mailing address and failed to fill out a new W-9 form, please do so immediately. You can obtain the necessary documents to make this change by contacting our Safety, Settlements or Accounting Departments. We will assist in getting you to the correct person to complete this form. The form needs to be filled out and returned to CRST Malone with your correct address before we mail out your tax forms. Tax season brings a certain amount of stress so let's make your tax preparation a smooth and hassle-free process. We are here to assist you in any way that we can.

Remember this formula:

"EARLY TAX PREPARATION = A SUCCESSFUL TAX RETURN EXPERIENCE"

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## 2019 is Off and Running! by Tim Barth, Vice President of Sales



We are very excited to see what's in store for CRST Malone in 2019 and so far, the market is telling us it will be another good year. **At the end of December 2017, the average flatbed spot rate was \$2.33 per mile whereas we closed out December 2018 with an average flatbed spot rate of \$2.43 per mile - \$0.10 cents per mile higher year over year.** As we poll customers on what they expect to see in terms of volume and available freight, the outlook continues to be positive. Steel and aluminum suppliers are seeing order books full through the second quarter as demand continues to be high for these products. CRST has also been awarded business from several new and existing customers with above average rates and a diverse commodity mix.

Also working in our favor is the continued decline in fuel prices. Since late October 2018 the average cost of fuel has dropped from \$3.36 to last week's average price of \$3.01. That's a \$.34 cent per gallon decrease in three months. All indicators are this downward trend will continue into the early part of the second quarter, when the summer driving season begins. However, most analysts believe this decline will be sustained well into 2019.

For further details on market trends, rates or customer questions, please don't hesitate to contact [flatbedforum@crst.com](mailto:flatbedforum@crst.com).

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## Your Guardian on the Road: The Fleet Manager by Ron Maynard, Director of Eldridge Operations

Even with self-dispatched fleets, Fleet Managers are an integral part of a Contractor's success. A Fleet Manager is:

- Your Advocate
- Your Coach
- Your Advisor
- Your Problem-Solver
- Your Partner



Just like any relationship, they are two-sided. To draw out success the contractor should:

- Complete a check call with your Fleet Manager Monday through Friday before 10:00 AM either by phone or text message. This is a time to advise them on anything that you might need help with, and to relay information that they need to know such as missing a pick-up/delivery, going home, illness, breakdown, and so forth.
- Call your Fleet Manager if you need help. Navigating the Malone system can be very daunting to the new driver. Before you get frustrated, please call your Fleet Manager for advice.

Keeping an open line of communication and updating your Fleet Manager regularly are keys to success. They are here to assist you in any way possible and help give you the tools that you need to be a successful business owner. Malone is here for your success. If you do not get help in your first line of defense, contact one of the management staff at Malone. It is all our jobs to define your success!

Our online pre-plan calculator is just one of those tools to help you succeed!

CLICK ON THE LINK BELOW

[PRE-PLAN CALCULATOR](#)

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## New Recruiter Spotlight



Mauri Robinson joined CRST Malone in November 2018 as a Driver Recruiter. He comes with a transportation background as he has worked at several brokerage firms over the years and has a strong knowledge base of the trucking industry. What attracted Mauri to join Malone was the stability and reputation of the company. To align himself with a leader, such as a Malone, has been the highlight of his career. His goal is to provide all drivers with excellent service and organization as he assists them in starting their careers with Malone.

Outside of the office, Mauri serves as a certified referee for Lacrosse, Basketball and Football. His hobbies include competing in tough mudder obstacle races.

## Employee Spotlight: Robin Spitzley, A Friendly, Upbeat Voice to Encourage Us by Maria Gilbert, Pricing Manager



Her voice is one of the most recognizable in Malone's organization. Drivers, agents, and employees alike speak to her several times a day and she always has an upbeat attitude, a smile on her face and faith in God. Robin Spitzley has been with Malone since November 1995 – 23 years! As Malone's receptionist, Robin is the 'voice of Malone'. Her experience in the safety, operations, recruiting and accounting departments during her tenure assists her in helping YOU get to the right people when you call. What has been described by some as an 'irksome persistence', drivers on the line needing urgent assistance can rest easy knowing that Robin will not stop contacting people until she is able to get an actual person on the line to assist you.

With 23 years under her belt at Malone, it's clear that Robin is dedicated to its employees, agents, and especially it's driving partners. Robin always has a word of encouragement for those who are having a rough day. It's not unusual to hear her say, 'I know you're frustrated but don't give up – let me see if I can find someone to help you!'. Sandra Wright, Robin's manager, has stated, 'Robin is very dedicated to her job and CRST. She is always willing to help with anything we ask her to do and will ask what she can do to help'. It's said over and over when describing Mrs. Spitzley: dedication. Dedication, funny, kind and Christian are just a few of the words that would be used to describe her. In further dedication, Robin's been married to Chuck since 1992 and has two sons, Josh (36) and Sam (25). Robin has said that a large part of what motivates her to get up, have a positive attitude, and be here for all of us everyday is the ability to help support her family but the other part of that, is that she truly appreciates being a part of the Malone team – especially the accounting department and working with them to keep Malone growing and succeeding.

Thankfully, it's not all work and no play for Mrs. Spitzley. Robin enjoys working with her church as well as participating in jail and prison ministries by teaching bible classes on Mondays and Wednesdays. She also loves traveling – visiting the Grand Canyon as well as traveling by train to Washington, DC and New York to take in the sights are just a few of the items on her bucket list! During most of Robin's lunch hours, you can find her in the employee break room crocheting a blanket for a new baby, friend or family member. One of Robin's personal beliefs is that everyone should do their job honestly, and always do their best. She believes that you should always work as if Jesus is watching you, and one of the best things to do while working is be willing to learn new things and help others out.

The next time you call into Malone don't forget to say 'Hello' to Ms. Robin, and know that she's standing behind you, praying for your success, and more than willing to help you get the assistance you need.

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## Driver Spotlight: Omar Lopez, Young and Successful, A CRST Story, Chris Gonzalez, Director, Asset Light Recruiting

Barely turning 21 years of age, young Omar Lopez was ready to go and take on the challenge of becoming a successful commercial truck driver. Omar, a native of Texas with his roots in California, began his journey in Cedar Rapids, IA by attending the CRST Expedited driving school. Omar had been involved with trucks since he was 17, so he had a passion for the open road already. Omar started his journey, received his training and obtained his CDL because of the opportunity that CRST Expedited was able to provide him.

Omar completed his 9-month contract and stayed with Expedited a little while longer. After a year with Expedited, Omar left the CRST family to pursue regional work in Texas. After a year he realized he wanted to return to CRST. Omar knew he wanted to get involved with flatbed so he called CRST Malone. Omar joined Malone at the early, and minimum, age of 23 equipped with his recently purchased 2007 Kenworth W900. He came through Orientation and started his journey as an owner-operator.

Omar, now a 4-year veteran at Malone, talks about his path to success and freedom. "I prefer my route between Texas and California, but you have to adjust to the market" Omar says. 'I have built relationships with agents and I have the freedom to choose the right load I need for my truck.' Omar has purchased another KW W900 but this time a 2018 with a Conestoga trailer. With his recent purchase, he has not given up on his 2007. Instead, he has opted to show off his ride and let everyone else enjoy trucking. Omar has begun his journey to fully customize his 2007 KW W900. Omar's biggest joy is to be able to represent CRST and Malone at the Dallas Truck show this coming August 22<sup>nd</sup> - 24<sup>th</sup>, 2019.

Omar says that you must start somewhere but how many jobs can you find where you start at \$40K per year and exceed \$100K by the 3<sup>rd</sup> year? Trucking is a way of life and once you start driving you must adapt to the way of life and then it gets in your blood. Omar loves the open roads and the opportunities that CRST International has been able to provide for him.



M0781—Omar 1st Truck



M0781 currently under Custom Work



M0783 current working truck

**Welcome the Newest Small Business Owners and Driver Team Members to CRST Flatbed!**



We extend our sincere appreciation to the newest Small Business Owners and Drivers for choosing CRST Flatbed as their team. When choosing CRST Flatbed these SBO's and Drivers have chosen quality freight at above average rates, customer service, reliability and support to be the backbone of their business!

Jay Foster, Jan. 2nd	Anthony Biscoe, Jan 2nd	Herbert Porter, Jan 4th	Jerry Bush, Jan 4th	Jemarcus Brown, Jan 4th
Raymond Elrod, Jan 4th	Steve Roy, Jan 4th	Craig Rood, Jan 4th	Kenyatta Gibson, Jan 8th	James Slatten, Jan 9th
Erik Johnson, Jan 9th	Bernard Merchant, Jan 9th	Charles Wamsley, Jan 9th	William Mason, Jan 9th	Nathan Fincher, Jan 9th
Samuel Smallwood, Jan 9th	Pierre Mays, Jan 9th	Roger Barnard, Jan 9th	Pepper Stone, Jan 9th	Marcus Gritta, Jan 9th
Phillip Martinez, Jan 9th				

**Our Agents and Owners would like to Welcome of their new drivers:**

Arnold Gokey, Jan 4th (BRAM Heavy Haul)	Jerry Newman, Jan 7th (BRAM Heavy Haul)
Jeffrey Jeancey, Jan 9th (BRAM Heavy Haul)	Valynn Lage, Jan 11th (Craig Rood)

**CRST Flatbed Small Business Owner and Driver Team Member Anniversaries**



Name	Anniversary Date	Years of Service	Name	Anniversary Date	Years of Service
Dale Kushmer	1/30/2004	15	Lee Morgan, Jr.	1/28/2010	9
Vincent Crump	1/26/2011	8	Rovince Reese, Sr.	1/22/2014	5
John Wellborn	1/21/2015	4	Michael Bode	1/22/2015	4
Gregory Massie	1/18/2017	2	Rex Wheeler, Jr.	1/18/2017	2
Willie Walker, Jr.	1/18/2017	2	Brandon Dean	1/18/2017	2
Johnathan Schudar	1/20/2017	2	Anthony Cladd	1/18/2018	1
Raymond Thomas	1/18/2018	1	Steven Hare	1/18/2018	1
Jeremiah Berry	1/18/2018	1	Timothy Horton	1/18/2018	1
Stephen Dapson	1/26/2018	1	Keith Williamson	1/31/2018	1

**Thank you to Cory Molzahn of Truck M8701 for providing this month's cover truck! Cory has been with Malone since 4/27/2011. Would you like your truck to be the newsletter cover truck? Send us a picture of your truck and trailer, sideview, loaded or empty to flatbedforum@crst.com! #GOFLATOUT**

Is there information you would like to see in the newsletter? Anything that would be beneficial to you or your family? Send requests, comments and suggestions to flatbedforum@crst.com. We're looking forward to hearing from you!

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