

LARRY MACHA

MACHA ENTERPRISES | 1804 EAST STREET IOLA, KS

TO: SENATOR CARYN TYSON

12 DISTRICT STATE SENATOR

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To Distinguish Members of the Kansas Senate:

As the Kansas Senate addresses the issue of taxation and the proposed rollback of the LLC Taxation status, I would like to make a few observations that seem to be obvious to anyone that does business in Kansas:

First and for most, the action to roll back the burden of taxes on business and individuals during a time of economic downturn coupled with an environment of high government regulations helped sustain many owners like myself for a short period of time. I use the word sustain loosely because the cost of doing business in Kansas increased for some of us who have incurred higher Fees from state Agencies of Enforcement, not to mention increases in local taxes and utilities costs. This gift of a tax break became the green light for other Government entities to gavel in higher taxes, so for some of us the savings was minimal. Taxes and such are cost that never facilitate economic recovery for business nor are these increases ever considered by those that decry that businesses do not pay their fair share of taxes.

If you want a glimpse of the big picture of our states economic woes, you need look no further than your own legislative research and reports. It is not so much a Revenue Problem as much as a Spending Problem. I ask each one of you to look at the Revenue Receipts for the last three years;

	REVENUE	SPENDING
2014	\$5.65B	\$ 5.98B
2015	\$5.93B	\$ 6.23B
2016	\$6.08B	\$ 6.11B

Can you explain why Government Spending Caps were never put in place knowing Revenue would be decreased. This would have been the first action of any Business in order to survive, yet we come to the crossroads of throwing the baby out with the bathwater. Roll back the LLC Tax Break and you will be rolling the dice for a lot of small business that will have an even higher taxes burden than before the LLC. Secondly, Bad spending habits most always facilitate unorthodox actions to bandage the “Elephant In The Room”. Redistribution of Monies that would have created jobs in order to pay for growth of government has no return on investment, no matter how you shuffle the deck. I am talking about the Bank of KDOT and because of your short sightedness, I folded a 37-year-old Asphalt Business because I could not expect any change in your behavior when it came to funding government. It is very easy to know you have a problem, but more complex to find a solution. Spending tax dollars collected for infrastructure that could have been an accelerator to a stagnate economy, both state and local, is a wasted opportunity. Those dollars create jobs in not just the construction industry, but also in the supply and service industry. This kind of ignitor will trickle down to the smallest guy on the food chain, be it gas or food. This is the engine that drives recovery, creates jobs, positive growth, and increases government revenue that could eventually pay for services that are necessary. It is documented that for every construction dollar spent in an area, it will change hands three times. Imagine the stimulus you could have created for a lot of Kansans if your priorities were more financially sound.

Before you consider any roll back of the LLC, new taxes on all individuals, or higher fees/regulations to make up the shortage, I ask that you cut 3% from every Department Budget to address the 3% increase they overspend each year and Cap the Budget for two years. Cleaning up your own house will give business a sign that at least your serious about finding a solution. Perhaps during this two years the recovery in Gas, Oil, and Agriculture will take root. Going forward I wish you best of luck & I thank you for your time.

Sincerely,
Larry Macha
CEO Macha Enterprises