



## **Hi-Tech Interiors, Inc.**

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### **Testimony in Support of HB2560 by Mr. Fred Willich Owner, Hi-Tech Interiors Manhattan, Kansas**

#### **House Taxation Committee Wednesday, February 8, 2012**

Good afternoon Chairman Carlson and members of the Committee. My name is Fred Willich and I am the Owner of Hi-Tech Interiors, Inc. We are a commercial sub-contractor specializing in structural and light gage metal stud framing, drywall, insulation, acoustical ceilings, and plaster and stucco including EIFS. We have offices in Manhattan, Lawrence and Hiawatha, and we are currently in the process of opening an office in Wichita. Hi-Tech Interiors is a Sub S Corporation with 60-70 employees.

I am here today to testify in strong support of HB2560's guiding principle of creating a flatter, fairer and simpler tax code that lowers the rates as much as possible. Specifically, I am very supportive of the proposal to eliminate the individual income tax on non-wage business income for business entities organized as LLC's, S-corps, sole proprietors, and the like. I'm a strong believer in fiducial and personal responsibility. We as a company have always reinvested. It is sometimes difficult if not impossible to do so when quarterly taxes are due and cash flow makes it nearly impossible to make payroll. There have been years that we've had to draw on our line of credit just to pay quarterly taxes simply because non wage income is taxed.

As a small business owner, high tax rates, tax complexity and uncertainty are impediments to growing business. The Governor's proposal to eliminate the income tax on many small businesses organized like mine will allow us to keep more of our own hard-earned money. The eliminated income tax will free up resources for us to make new capital investments, hire new employees and increase wages and benefits. Furthermore, simplification of the tax code will reduce our tax compliance burden and free up more time to plan and to strategize.

While we are all aware that taxes are inevitable if we are going to have a government, a simpler and fairer tax code would help to reduce the size of that very government. A government that supports and allows businesses to grow ethically and responsibly, will always flourish. It is the entrepreneurs and business owners, the very ones with skin in the game, who are better at allocating their resources more effectively and

efficiently than does government. They are the true engines of job creation and capital investment. Yet, business and government should both be partners in the Economic Development game. I believe the principles of income tax elimination and reduction offered in HB2560 are a great first step towards initiating and creating those partnerships.

Small businesses are essential to the long-term health and growth of the Kansas economy. The legislature must make sound, but swift change to our tax policy to ease the income tax burden on small businesses. The time for change is now. I respectfully request that you support HB2560.

Thank you for the opportunity to provide my comments.