

Testimony
Trace Walker
Proponent HB2444

Thank you Mr. Chairman and members of the tax committee

My name is Trace Walker; President of Blue Beacon which is a family owned business headquartered in Salina, Kansas.

Blue Beacon Operates hotels and car washes in Kansas and Missouri, and truck washes throughout the United States. We employ 600 people in Kansas and more than 5,000 nationally.

Eliminating the income tax on most businesses was, I'm sure, not the colossal failure that many believe nor the silver bullet that many had hoped. I appreciate the effort to keep Kansas among the lower income tax States in our area.

However, eliminating the income tax on pass-thru entities is not equitable and should be revisited. I am especially concerned about those entities in which all salaries and wages can be easily eliminated and all income tax avoided.

While there are many things in which government should not be involved, there are some things that only government can do and those are important to our quality of life. As a businessman but more importantly as a father and a grandfather, I am concerned about our roads and bridges, our reservoirs and aquifer, our law enforcement and ensuring that our State has the resources to help the less fortunate.

I won't pretend to have the answers to this complex issue but I do feel that an equitable, balanced approach is needed in regard to revenue and taxes. To state the obvious you only pay income taxes if you are successful and making money, which is not the case with the other revenue sources. If not having a tax on businesses is going to put increased pressure on property taxes I would not see that as beneficial and would instead seek a more balanced approach.

Although my company benefitted from the 2012 tax plan, if reinstating the tax on businesses is necessary for our state government to meet its obligations and invest for the future then I would urge you to do so.

I would be happy to answer any questions the Committee may have.