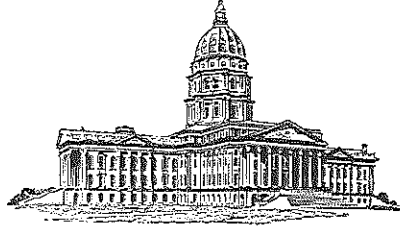


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PAUL WAGGONER
104TH DISTRICT

March 7, 2023

To: House Taxation Committee

Re: Proponent Testimony for HB 2411

Chairman Smith, Vice-Chairman Bergkamp and Members of the Committee:

My family has owned a small cushion manufacturing business near Yoder, Kansas for over 50 years. I have been general manager for our firm, Waggoners, Inc, since 1991. We have just over 20 employees and sell in all 50 states.

Like most smaller firms we have our own bookkeeper and do our own accounting, which is not uncommon. There are just over 250,000 small businesses and sole proprietorships in Kansas. Only 8,000 firms in Kansas have over 20 employees. Smaller businesses are not the exception but the rule in a state like Kansas.

We are also very sensitive to regulatory burdens and fees since most small business people sign the checks and oversee the process. In my case our support for this bill is very personal. Our part-time bookkeeper twice in the last year barely missed filing our state of Kansas withholding in time. As she completed her work I saw the "penalty" was a full 15% of our late payment! That made no sense. I was familiar with the Federal late penalties and they were much smaller and varied based on the amount of time you were late.

With HB2411, Kansas businesses that are actively trying to avoid paying their taxes remain in the same penalty range (15%+) as before. But those who make inadvertent errors in timeliness would be looking at penalties of only 2%, 5%, or 10%, based on the amount of time that has transpired. I see this as being much more business friendly, as bringing Kansas in line with both the Federal penalty norm and those of our surrounding states.

Small businesses face enough cringe-worthy issues with Kansas agencies, let's make the issue of excessive penalties on minor errors in tax filings one they no longer have to fear

Thank you for your consideration of HB2411. I am happy to stand for questions at the appropriate time.



Paul Waggoner
House District 104