

Testimony before Kansas House Tax Committee
March 14, 2012

My name is David Aull; my companies are Innco Hospitality and Transamerican Investment Properties, both Kansas Corporations doing business in Kansas since 1969. I have been in the general Real Estate Development business, everything from mobile home parks, office buildings and shopping centers, with an emphasis on the hotel business. I have raised money thru Limited Partnerships, Mortgage loans, IRB's, and sale leasebacks. Recently as an investor I have made personal investments in start up businesses where I was given special tax credits for investing in these businesses. After 50 years of being a lender, partner and borrower, I have concluded that worthwhile projects that make sound economic sense don't need government tax breaks. To the contrary, sometimes projects and businesses are jump-started because of the tax breaks that are granted that end up having little or no chance for success. I believe it is time to stop this picking and choosing by government what companies or entities receive special entitlements and go to a cleaner, fairer, more broad based system of collecting taxes such as a sales tax on the end sale and eliminate the state income tax. I feel just as strongly about doing this at the federal level, but I think the best place to start is at the state level.

Another example of where I see the benefit to the state of eliminating the income tax is to retirees. Do we have any idea how many 1,000's of our finest older citizens when they retire opt out to move to a non income tax state just to avoid paying the heavy burden of the state income tax? Again, I believe if you eliminate the state income tax, many of these fine citizens would see no need for moving to a non tax state and would stay home. I urge you to pass and move on House Bill #2763 that would eliminate the Kansas Income Tax and replace it with Sales Tax. Thank you for giving me this time to speak.