

Mike Bosworth, President and owner of NorthWind Technical Services, moved to Sabetha Kansas in 1983 to work for a local company as an entry level engineer. In 1997 Mike and Marlene founded NorthWind Technical Services.

NorthWind is a Limited Liability Company (LLC) and classified as a subchapter S Corporation. All profits or losses incurred by the company are passed directly to owners. NorthWind designs and builds control systems that are used to automate factories.

As the President of NorthWind, I am paid a wage just like all other NorthWind employees. I am required to pay Kansas Income taxes on those wages just like every other Kansan. The net income generated by NorthWind is passed through to the LLC members. No Kansas income tax is paid on this income.

In 2012, Kansas eliminated the income tax on company profits. This change weighed heavily into our decision to try to grow our company. Over time, the money saved on income taxes was expected to help repay the investments that our growing business would require.

As legislators you may ask "What happened to the money?"

For NorthWind the short answer is that is the money was reinvested in the business and the business grew as a result. NorthWind had a payroll of ~ \$695K and 9 employees in 2011, a year before tax cuts. Now payroll is over \$2.2M with 32 employees. NorthWind expanded our facility once in 2012 and again in 2014 with another planned in 2017.

For our employees, they all received a larger bonus.

For our community, the local economy benefited from 23 new jobs. Seventy percent of our employees are 30 years old and under. Thirteen of them bought our built houses after starting to work at NorthWind. Local contractors built both new additions. One of our key parts suppliers opened a branch office a few blocks from our office and hired 3 new employees. Our local business, churches, schools and other organizations have all benefited from the economic activity. The growth of NorthWind has made it possible for my wife and me to give much more money to our local charities.

So, what happened to the money? It multiplied many times!

If the proposed tax changes pass, the impact will affect far more than Mike and Marlene taxes. We will have to find a way to make the ~ \$50,000 in additional expenses. Our budget will have to be rebalanced. The pain of this law will be passed on to our employees and community.

I would ask that you as Legislators find ways to reduce spending to fix the state's budget problem. Don't take money from our employee and community and force them to fix the states problem.