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State closes Kathy's Inc. for not paying state retailers sales taxes

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TOPEKA – Tuesday morning, Kansas Department of Revenue agents and Jackson County Sheriff Officers seized the business assets of Kathy's Inc., which owed \$1.7 million in state retailers sales tax.

Officers seized all known bank accounts, on-site cash, business inventory and personal property assets belonging to owners Kathy L. Kaul Kennedy. The convenience store, at 19075 US Highway 75, Holton, was sealed closed and the assets will be sold at public auction to pay the taxes owed.

Warrant execution occurs when all other collection attempts, including multiple letters, telephone calls, letters of impending legal action, tax liens filed with the local District Court to secure the debt, previous bank levies and on-site till taps are executed to bring the taxpayer into compliance have been exhausted.

Only after several unsuccessful attempts does the department take the action of seizing assets, which in this instance resulted in the business being closed.

The Revenue Department's standard practice is to continually encourage delinquent taxpayers, who are not lawfully filing or paying taxes - such as sales or withholding - to voluntarily enter into a repayment agreement.

Tax Warrants:

Sales Tax - #2011ST000058 - Jackson County - Oct. 2005 through Sept. 2009 - \$1,348,914.82

Sales Tax - #2011ST000059 - Jackson County - Oct. 2009 through Sept. 2010 - \$374,642.27

Sales Tax - #11ST44 - Jackson County - Oct. 2009 through Sept. 2010 - \$374,642.27

Total taxes owed: \$1,723,557.09