



Nick Jordan, Secretary  
Jeannine Koranda, P.I.O.

Sam Brownback, Governor

## **State closes Midway Inn, for not paying state sales, transient guest and withholding taxes**

March 7, 2012

TOPEKA – Monday morning, Kansas Department of Revenue agents and Edwards County Sheriff Officers seized the business assets of Midway Inn which owed \$24,872 in state sales, transient guest and withholding taxes.

Officers seized all known bank accounts, on-site cash, business inventory and personal property assets belonging to owners Jerry W. Farney & Thomas K. McClain. The inn, at 713 US Highway 50, Kinsley, 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 issued on the business:**

Withholding Tax – 09ST6 – Edwards County – 2007 Annual reconciliation, Jan. through Sept. 2008 – \$450.80

Sales Tax – 09ST7 – Edwards County – Dec. 2007 through Oct. 2008 – \$6,544.26

Sales Tax – 12ST3 – Edwards County – Nov. 2008 through April 2011 – \$13,403.17

Transient Guest Tax – 11ST10 – Edwards County – Dec. 2007 through Feb. 2010 – \$4,473.39

### **Tax Warrants issue on the responsible parties, Jerry Farney and Thomas McClain:**

Sales Tax - 09ST2549 - Shawnee County – Dec. 2007 through Oct 2008 - \$6,544.26

Sales Tax - 11ST1634 - Shawnee County – Nov. 2007, Nov. 2008 through Jul 2010 - \$11,359.02

Transient Guest Tax - 10ST2320 - Shawnee County – Dec. 2007 through Feb. 2010 - \$4,473.39

**Total taxes owed: \$24,871.62\***

\*This is the total amount owe but similar warrants were filed against the responsible parties.