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Nick Jordan, Secretary Jeannine Koranda, P.I.O. Sam Brownback, Governor

State closes Petali Inc., doing business as EconoLodge for not paying state sales and transient guest taxes

Feb. 15, 2012

TOPEKA – Tuesday afternoon, Kansas Department of Revenue agents and Alcoholic Beverage Control officers seized the business assets of Petali Inc., doing business as EconoLodge which owed \$240,788 in state sales and transient guest taxes.

Officers seized all known bank accounts, on-site cash, business inventory and personal property assets belonging to owners Bhupendra Patel. The business, at 600 S Holland St, Wichita, 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:

Transient Guest Tax

Case #10ST1186SA - Sedgwick County - Oct. 2008 through April 2010 - \$204,508.18

Case #11ST2030SA - Sedgwick County - May 2010 through December 2010 - \$26,121.50

Sales Tax

Case #11ST2026SA - Sedgwick County - April 2010, Nov. 2010 through March 2011 - \$10,157.88

Total taxes owed: \$240,787.56