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## **Pierce Co. contractor charged with stealing \$156,000 in taxes**

**OLYMPIA** – March 11, 2016 – Charges were filed today against a Pierce County contractor who allegedly stole more than \$156,000 in retail sales taxes he collected from clients but never remitted to the state.

The Washington State Attorney General’s Office filed one charge of first degree theft and eight charges of falsifying tax returns against Kurtis T. Hirning, owner of Kurtisy Construction LLC. The company primarily installs fences in new housing developments.

Hirning faces 10 years in prison and \$20,000 in penalties for the theft charge, and up to 5 years and \$10,000 for each incidence of filing a fraudulent tax return.

Washington State Department of Revenue (Revenue) staff discovered the alleged theft during a routine audit of Kurtisy Construction’s books for Jan. 2010 – Sept. 2013. The auditors noted that the business improperly reported more than one-third of sales as wholesale transactions while hiding another \$66,000 in retail sales altogether.

By falsely classifying sales as nontaxable and not reporting other retail transactions at all, Hirning and Kurtisy Construction failed to report and remit at least \$156,004 to the state.

“State law is clear that retail sales tax dollars do not belong to the business that collects them,” said Revenue Director Vikki Smith. “These tax dollars are expressly intended to support the many public services we count on as residents, not line anyone’s pockets.”

Retail sales tax is the largest source of state revenues, supporting vital services that benefit Washington’s residents and the economy. Businesses that collect retail sales tax must report and turn those over to Revenue. Failure to do so constitutes theft.

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### **About Revenue**

The Department of Revenue is Washington state’s primary tax administration agency, nationally recognized for innovation and service quality. Revenue collected \$20.8 billion in tax revenues in Fiscal

Year 2015. These funds support education, social services, health care, corrections, public safety, natural resources conservation and other public services.