

Lana K. Pol  
President/Owner  
Geetings, Inc.

Good morning Senator Ernst. Thank you for allowing me the opportunity to testify today. My name is Lana Pol. I am the owner of multiple small businesses in Pella, Knoxville and Des Moines, Iowa. I serve as President/Owner of Geetings, Inc., a local and regional trucking company. G. I. Warehouse Corporation specializes in commercial warehousing and logistics. Mowbility Sales and Service is an outdoor power equipment, trailer and small tractor dealer. Creative Inspirations is an embroidery, promotional and customer fulfillment company. Odyssey Spas sells hot tubs, chemicals, and provides service for pools and spas.

All our businesses are classified as either sub-S corporations or LLC's. The 2017 *Tax Cuts and Jobs Act* provided tax relief that allowed us to invest in our employees and our businesses. Two of the most significant direct benefits from the new tax law for our businesses were the expansion of Small Business Expensing (Section 179) and the creation of the new Small Business Deduction (Section 199A).

The new tax law doubled the Small Business Expensing (Section 179) thresholds of the tax code from \$500,000 in 2017 to over \$1 million in 2018. This expansion incentivized us to purchase six new semi-trucks totaling \$1 million and allowed us to immediately expense the cost of these trucks in 2018 instead of depreciating that amount over several years.

The creation of the new Small Business Deduction (Section 199A) provides substantial tax relief for businesses like ours, allowing pass-throughs to deduct up to 20 percent from business income.

My accountant informed me that the new Small Business Deduction (Section 199A) provided about \$40,000 in tax relief for our business. This tax relief from the new tax law provides crucial cash flow that allowed us to provide raises to our employees, the largest compensation increases we have been able to provide in recent years. These raises increased employees' take-home pay and helped us retain employees.

We also invested \$2 million in a 40,000 square foot expansion of G.I. Warehouse Corporation, which was completed in December 2018. We now have 460,000 square feet in warehouse space.

We would love to see this law made permanent. As we expand into third generation ownership, it is crucial that we know what the future holds for taxes so we can plan with peace of mind.

As you can tell, we have a very diversified group of businesses. Each of these businesses poses unique challenges.

One of the hardest challenges for small business in Iowa today is attracting and retaining qualified, skilled workers. With today's strong economy, we are competing with large corporations for the same talent. Being a small company, it is harder for us to attract talent even though our wages are comparable to larger companies and our benefits far exceed other businesses in our area. We

strive to take care of our employees, but it is becoming increasingly difficult to retain workers who often see the “grass as being greener” in such a competitive economy.

In our industries, we need these types of skilled labor: diesel mechanics, small engine repair mechanics, spa techs, truck drivers, warehouse workers, etc. Most of our positions do not require a college education but skills in certain areas. These jobs pay very well, and employees can jump into the labor market quickly with the right training, which we are also willing to provide. This also allows young people starting out to begin working right away without having to go deep into debt with a four-year education. We value education and understand the importance of a four-year degree but also know that it is not a requirement for many of our positions.

Trade schools are especially important to our businesses as they can be a great source of recruitment for individuals who are specialized in a particular trade. We are always looking for creative ways to obtain new employees with the right skill sets and have also found it effective to train ourselves or pay for training when we find the right applicant. Even offering training, competitive wages, above average benefits and treating our employees well, we are struggling to attract and retain skill labors. The need for skilled employees in our state is quickly reaching critical levels.

Thank you for the opportunity to testify. I look forward to answering any questions you may have.