



# NEWS from U.S. Senator Bob Dole

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## SENATE FINANCE COMMITTEE ADOPTS DOLE PROPOSAL TO CLOSE TAX LOOPHOLE

WASHINGTON, D.C.—The Senate Finance Committee has adopted a proposal by Senator Bob Dole which will curb a major tax break for U.S. exporting companies. By a vote of 11 to 1, the Committee adopted Dole's proposal to cut tax benefits to U.S. exporters by \$460 million next year.

Under current law, so-called Domestic International Sales Corporations (DISC) are allowed to defer taxes on a major portion of their export income. This year alone, this special tax treatment is expected to cost the Federal government over \$1.5 billion in lost tax revenues.

At the same time, the Committee agreed to Dole's amendment to continue to allow agricultural exporters to receive the scaled-down DISC benefits. "There is no logical justification for discriminating against exports of agricultural products, which are largely responsible for our more favorable balance of trade posture in recent years," Dole said.

"I believe that the DISC law has served as a positive inducement to the increase in U.S. exports and has resulted in many new jobs here at home. Nevertheless, companies should not be given tax incentives for exporting products which would have been exported even in the absence of such incentives," Dole said.

Under the Dole plan, companies would get tax benefits only if they increased their exports over previous levels.