



# NEWS from U.S. Senator Bob Dole

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## DOLE BILL WOULD PROVIDE INCOME TAX CREDIT FOR SOCIAL SECURITY CONTRIBUTIONS

WASHINGTON, D.C. -- Senator Bob Dole today introduced a bill that would grant a 20% refundable tax credit on the Social Security employee and self-employed contribution paid. Calling his bill "sensible and equitable," Dole said it would provide relief from Social Security taxes.

Following is the text of Dole's introductory statement:

Mr. President, I am introducing legislation today to provide tax relief from the Social Security tax bit.

Last December the Democratic leadership of both Houses of Congress proclaimed a victory upon the passage of the Social Security Financing Amendments. However, it seems that those who supported the tax increase are now the biggest advocates of tax relief.

The Senator from Kansas expressed serious doubts about the Social Security legislation that would raise \$227 billion in new Social Security taxes in the next 10 years. I felt, as I do now, that the action taken was hasty and ill-conceived.

### SOCIAL SECURITY TAX CREDITS

The Social Security tax is intolerable. I believe that Americans need and deserve a tax cut.

My proposal will, if enacted, grant a 20% refundable tax credit on the Social Security employee and self-employed contribution paid. The legislation will grant tax relief to Americans inflicted with the burdensome Social Security tax without endangering the integrity of the Social Security Trust Fund. It avoids the perils of "general revenue" financing by retaining the requirement that Congress cannot indiscriminately raise Social Security benefits without increasing Social Security taxes to pay for the benefits. My proposal, unlike general revenue financing or Social Security tax rollback, will keep the Social Security Trust Fund actuarially sound.

Social Security taxes are scheduled to dramatically increase over the next few years. However, the Administration tax proposal fails to adequately address this problem. Under the Administration's tax plan, millions of Americans would experience tax increases as early as 1979, largely due to inflation and the increased Social Security taxes.

### TAX RELIEF

There is no question that Americans need tax relief. In fact, the average American must now work until May 15 every year just to pay his taxes. Recent figures compiled by the Treasury Department show that those American households with incomes of \$17,000 a year or higher pay 70% of all personal income tax. Even more startling is the fact that about half of the American households pay 94% of all personal taxes.

The 20% refundable tax credit on Social Security taxes would cost \$11.0 billion in calendar year 1979. My proposal, extended to Railroad Retirement payments, would increase the cost by \$800 million. More than 58% of the relief would go to American families earning less than \$20,000 per year and more than 87% would go to families earning less than \$30,000 per year.

The President is calling for a net tax cut in the neighborhood of \$25 billion. The cost of my proposal allows sufficient flexibility to enact tax relief to those Americans not in the Social Security system and flexibility to design a package of business incentives.

The Senator from Kansas supports tax reduction and relief from Social Security taxes. However, the Congress must be careful in designing the tax package. The tax credit -- using Social Security contributions as a measuring stick -- is both sensible and equitable.