



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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IT'S TIME TO STOP GOVERNMENT PROFITING FROM INFLATIONARY TAX HIKES, DOLE SAYS

NORMAN, Ok.—American taxpayers must be protected from inflation-based hikes in federal income tax, Sen. Bob Dole (R-Kan.) said here Friday.

Dole said, "Why should the government, whose red ink fuels the double-digit inflationary fires which plague American families, profit from inflation? It shouldn't."

But, he added, since inflation pushes hard-working Americans into higher and higher tax brackets, government today reaps a 16 percent increase in revenues for every 10 percent increase in the cost of living.

"Instead of offering token tax 'cuts' every year or so--'cuts' which still leave the American people with less purchasing power year after year--we should tax only real increases in income," Dole said.

To prevent taxpayers from being forced automatically into higher tax brackets by phantom wage increases, Dole has introduced legislation to "index" the tax system. His proposal would permit individual taxpayers to exclude any increase in earned income that is attributable to inflation.

"A worker earning \$10,000 who receives a \$1,000 pay increase at a time of 10 percent inflation would, for tax purposes, be able to exclude the \$1,000 phantom inflationary income increase," he said.

His proposed legislation will force government--which has increased spending by more than \$100 billion just in the last two years--to live within its means and not bank on higher and higher revenues each year from hard-pressed American taxpayers, he said.

Dole's remarks came at a dinner for Scotty Robb, Republican candidate for congress in the 4th district.