

News from Senator

BOB DOLE



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DOLE CITES GROWING RESENTMENT TO WINDFALL TAX ON ROYALTY OWNERS

WASHINGTON -- Senator Bob Dole (R-Kan.) today announced that there is growing support, both in Congress and in Kansas, for exempting small royalty owners from the Windfall Profits Tax.

"After spending a week in Kansas, traveling and visiting with people all over the state, it is clear to me that there is mounting resentment by farmers and other small landowners that they are subject to such a high rate of tax," Dole said.

"At least in Kansas, most royalty owners are working farmers who are struggling to survive in the face of increasingly unfavorable commodity prices. They are alarmed to find that they must pay the same rate of taxation as Exxon and other oil industry giants."

Two weeks ago, Dole introduced a bill (S. 2521) to exempt these small royalty owners from the tax. The bill would exempt up to 10 barrels per day of royalty interest. Already there are 10 Senate cosponsors of this bill, and it is expected that a similar bill will be introduced in the House this week.

"My aim in introducing this bill is to right an injustice we have done these royalty owners," he said. "There is a sizeable number of royalty owners who are retired and depend greatly on the royalty income they receive as a supplement to their Social Security checks. These people are not oil barons. It is difficult to justify why a farmer or retired person should be subject to the windfall tax at all. I am afraid that these high tax rates may make landowners reluctant to lease property, which will further damage domestic oil production."

Dole also announced that over the Easter recess five additional senators have asked to cosponsor S.J. 159, his measure to disapprove of President Carter's imposition of an import fee on imported oil. The burden of President Carter's import fee will be shifted entirely to gasoline and will add about 10 cents per gallon to gasoline prices.