

News from Senator

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
WEDNESDAY, JUNE 25, 1980

CONTACT: BILL KATS
(202) 224-6521

IMPORTANT FIGHT WON FOR ROYALTY OWNERS SEEKING RELIEF FROM WINDFALL PROFIT TAX

WASHINGTON -- Senator Bob Dole (R-Kan.), ranking Republican on the Senate Finance Committee, today led a significant victory in the fight by royalty owners across the country to combat the adverse effects of the windfall profit tax.

The Finance Committee agreed to a Dole budget amendment providing a tax credit for royalty owners equal to the first \$1,000 of windfall profit liability in calendar year 1980. Individual taxpayers would claim the credit after the close of the year by filing a form along with their income tax returns.

The credit would not be available to trusts, estates, corporations, non-resident aliens and married persons who file separate returns.

"One of my main objections to the windfall profit tax was based on the unfair treatment royalty owners receive under this tax," Dole said. "Hopefully this amendment will neutralize some of those effects. This tax imposes the same tax rate on royalty owners as it does on the major oil companies. It has worked an unconscionable hardship on the more than two million small royalty owners, the vast majority of whom are retired persons who depend on royalty checks to supplement Social Security payments, and farmers, who are currently hard-pressed by low farm prices and high interest rates.

"Last month, Senator Boren and I held field hearings in Great Bend, Kan., and Oklahoma City, Okla., where we heard first-hand of royalty owners' unhappiness over the windfall bill. More than half of these people identified themselves as being retired, and approximately 75 to 80 percent identified themselves as farmers. How can we justify taxing away 36 percent of the income on elderly couples who have not had sufficient income to pay income taxes in years?

"Royalty owners were almost completely ignored during the consideration of the windfall profit tax. Unlike the major oil companies or the independents, royalty owners have no Washington lobbyists or even any national organizations to plead their case."

Dole indicated that any revenue shortfall from this amendment would be made up by a 40-cent-per-gallon tax on imported alcohol and a slight change in the inflation adjustment to the base price used in computing the windfall profit tax. He also indicated that further legislation is being studied for subsequent relief from the windfall tax in future years.