

News from Senator

BOB DOLE



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PRESIDENT CARTER SHOULD GET ON TAX CUT TRAIN BEFORE IT LEAVES THE STATION

WASHINGTON-- Senator Bob Dole (R.-Kansas) today called on President Carter to "recognize the reality of a need for a tax cut and join with Democrats and Republicans in Congress to get it enacted this year."

Dole, who introduced a Republican tax cut proposal on June 25, 1980, said he was "very pleased" with the tax cut voted by the Senate Finance Committee yesterday.

"I am pleased that the principal elements of the package are quite similar to the Republican plan introduced in June. The point to stress is that it is possible for Congress to enact a carefully structured and targeted non-inflationary tax package, even under the pressures of an election year. The package prepared by the Finance Committee can be supported by Republicans and Democrats alike. It is not a partisan proposal-- the remarkable unanimity by the Committee, including yesterday's 19-1 vote, shows that-- and I think it is time to recognize that opposition to a tax cut is mainly centered in the Oval Office, not the Congress, the shopfloors, the academic think tanks, or anywhere else," said Dole.

Tax Cut Needed Now

According to Dole, who is ranking Republican member of the Senate Finance Committee, "We've put together a package that can get this country moving again. We have balanced prudent business tax reforms with a reduction in the personal income tax levels. I'd like to especially congratulate Chairman Long for his leadership in this effort. Now it is time for the President to also take action. He needs to get on the tax cut train before it leaves the station," Dole added.

STATEMENT OF SENATOR DOLLE

THE TAX PACKAGE FASHIONED BY THIS COMMITTEE IS BOTH RESPONSIBLE AND EFFECTIVELY GEARED TOWARDS LONG-TERMED ECONOMIC GROWTH.

THIS IS THE FIRST TIME IN AT LEAST TWO DECADES THAT WE HAVE A TAX BILL THAT DOES SOMETHING FOR TAXPAYERS WITHOUT DOING SOMETHING TO THEM. IT IS A BOLD RESTRUCTURING OF OUR TAX SYSTEM TOWARD PERSONAL EFFORT, PRODUCTIVITY, AND JOB-CREATION. WE CAN REDUCE THE TAX BURDEN IN A WAY THAT ADDRESSES OUR MOST SERIOUS LONG-TERM ECONOMIC PROBLEMS. LOWER TAX RATES REWARD PERSONAL EFFORT; FASTER DEPRECIATION STIMULATES NEW INVESTMENT AND INNOVATIONS THAT BOOST PRODUCTIVITY.

LANDMARK BILL

FROM THE POINT OF VIEW OF PRODUCTIVITY AND ECONOMIC GROWTH AND EMPLOYMENT, THIS IS THE FINEST PIECE OF TAX LEGISLATION THAT HAS BEEN PROPOSED IN DECADES AND THAT I HAVE SEEN IN MY YEARS IN THE CONGRESS. IT MAY BE THE BEST EFFORT TO RESTRUCTURE THE TAX CODE THAT HAS EVER BEEN MADE.

THE POINT WE SHOULD STRESS IS THAT IT IS POSSIBLE FOR CONGRESS TO ENACT A CAREFULLY STRUCTURED AND TARGETED NON-INFLATIONARY TAX PACKAGE, EVEN UNDER THE PRESSURES OF AN ELECTION YEAR. THE PACKAGE PREPARED BY THE FINANCE COMMITTEE CAN BE SUPPORTED BY REPUBLICANS AND DEMOCRATS ALIKE. IT IS NOT A PARTISAN PROPOSAL - THE REMARKABLE UNANIMITY DEMONSTRATED BY THE COMMITTEE VOTES ON THE ELEMENTS OF THE PACKAGE SHOWS THAT THIS IS A SERIOUS EFFORT.

THE REAGAN INITIATIVE

ON JUNE 25 GOVERNOR REAGAN PROPOSED A TAX CUT FOR 1981 THAT INCLUDED INDIVIDUAL RATE REDUCTION AND FASTER WRITE-OFF OF PRODUCTIVE ASSETS USED IN BUSINESS. THANKS TO GOVERNOR REAGAN'S LEADERSHIP, WE HAVE MADE GREAT PROGRESS TOWARD REDUCING A TAX BURDEN THAT HAS GROWN TO RECORD LEVELS.

I AM PLEASED THAT THE PRINCIPAL ELEMENTS OF THE PACKAGE ARE THE SIMILAR TO THE PROPOSAL MADE BY GOVERNOR REAGAN, WHICH I PRODUCED ON BEHALF OF 37 REPUBLICANS ON JUNE 25TH. THE CENTERPIECE OF THE BUSINESS TAX PACKAGE IS A SYSTEM OF ACCELERATED DEPRECIATION THAT WILL PROVIDE DRAMATIC INCENTIVES FOR NEW INVESTMENT. WHILE SOME MAY QUARREL WITH DETAILS OF THIS DEPRECIATION REFORM, IT IS A CONSCIENTIOUS, WELL-CONSIDERED EFFORT TO RESTRUCTURE DEPRECIATION SCHEDULES TO ELIMINATE DISTORTION LARGELY CAUSED BY INFLATION. THIS NEW DEPRECIATION SYSTEM REPRESENTS FINE-TUNING OF THE 10-5-3 PROPOSAL AND RETAINS THE MORE FAVORABLE TREATMENT OF STRUCTURES AND A SIMPLIFIED RANGE OF CATEGORIES INCLUDED IN 10-5-3.

RELIEF FOR INDIVIDUALS

PERHAPS MOST IMPORTANTLY OF ALL, THE COMMITTEE HAS AGREED THAT INDIVIDUAL TAXES MUST BE REDUCED BY ABOUT \$22 BILLION IN CALENDAR YEAR 1981. THE COMMITTEE HAS FURTHER AGREED THAT A LARGE PORTION OF THIS REDUCTION SHOULD BE IN CUTS IN THE MARGINAL RATES OF TAXATION. THIS IS THE FIRST TIME SINCE 1964 THAT SIGNIFICANT RATE REDUCTIONS HAVE BEEN THE PRINCIPAL ELEMENT OF A TAX CUT FOR INDIVIDUALS. THE UNANIMOUS COMMITTEE SUPPORT FOR SUCH RATE REDUCTION IS A VINDICATION OF THE EMPHASIS ON RATE REDUCTION CONTAINED IN THE REPUBLICAN PROPOSAL. I BELIEVE WE RECOGNIZE THAT CUTTING MARGINAL RATES HAS AN INCENTIVE EFFECT THAT OTHER FORMS OF TAX REDUCTION LACK.

ADDRESSING MAJOR PROBLEMS

THE FINANCE COMMITTEE PACKAGE ALSO MOVES FORWARD IN OTHER AREAS TARGETED FOR ATTENTION IN THE REPUBLICAN PLATFORM. FOR EXAMPLE, THE COMMITTEE HAS AGREED TO A TAX DEDUCTION THAT WILL OFFSET THE MARRIAGE TAX PENALTY. THE COMMITTEE HAS ALSO PROVIDED NEW INCENTIVES FOR SAVINGS AND INVESTMENT: REDUCTION OF THE CAPITAL GAINS RATE, EXPANSION OF INDIVIDUAL RETIREMENT ACCOUNTS, AND ESTABLISHMENT OF LIMITED EMPLOYEE RETIREMENT ACCOUNTS. THESE MEASURES WILL RESTORE SOME OF THE INCENTIVES TO SAVE AND INVEST THAT HAVE BEEN UNDERMINED BY INFLATION.

FINALLY, THE TAX PACKAGE INCLUDES TAX RELIEF FOR AMERICANS WORKING ABROAD, A REDUCTION OF THE TAX BURDEN OF SMALL BUSINESS, AND A MODEST REDUCTION IN CORPORATE TAX RATES. EACH OF THESE MEASURES WILL ENCOURAGE BUSINESS EXPANSION BOTH HERE AND ABROAD AND WILL GO FAR TO IMPLEMENT THE PROPOSALS MADE BY THE REPUBLICAN PLATFORM.

I CAN NOT CONCLUDE WITHOUT ACKNOWLEDGING THE TREMENDOUS CONTRIBUTION OF CHAIRMAN LONG IN CREATING A BALANCED, RESPONSIBLE AND NON-INFLATIONARY TAX PACKAGE THAT WILL DO MORE FOR OUR LONG-TERM ECONOMIC NEEDS THAN ANY TAX LEGISLATION THAT I HAVE SEEN IN MY YEARS IN THE SENATE. WITHOUT THE LEADERSHIP OF RUSSELL LONG, AND OTHER DEMOCRATS AND REPUBLICANS WE COULD NOT HAVE PROCEEDED THIS FAR NOR WITH SUCH UNITY ON THE NEED FOR A RESPONSIBLE, TARGETED TAX REDUCTION. NOW WE MUST MOVE FORWARD AND HOPE THAT THE FULL SENATE AND THE HOUSE OF REPRESENTATIVES WILL FOLLOW THROUGH. THIS CONGRESS HAS AN OBLIGATION TO THE AMERICAN PEOPLE TO DO SO BEFORE WE ADJOURN IN OCTOBER.