

News from Senator

BOB DOLE



(R - Kansas)

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DOLE PROPOSAL TO AID FARMERS, SMALL BUSINESSMEN, IS ACCEPTED

WASHINGTON -- A proposal put forward by Senator Bob Dole

(R.-Kansas) to allow unincorporated farmers and small businessmen to use the investment tax credit as originally intended by Congress was accepted today by a House-Senate Conference.

The Dole amendment, S. 2916, relates to the Alternative Minimum Tax. It corrects an anomaly in the 1978 legislation which meant that a farmer or small businessman who had a profitable year and decided to purchase needed equipment would not be able to take advantage of the investment tax credit for the purchased equipment.

The Alternative Minimum Tax was originally enacted to encourage capital formation by eliminating capital gains as an item of tax preference subject to the regular minimum tax.

"I believe this proposal will aid Kansas farmers and small businessmen, who were hurt under the original rules," Dole said. "No one quarrels with the need for a minimum tax-- but we did quarrel with the unintended negative effect it had on our small farmers and business people."

The change sought by Dole was supported by the American Farm Bureau, the Kansas Farm Bureau and the National Cattlemen's Association.