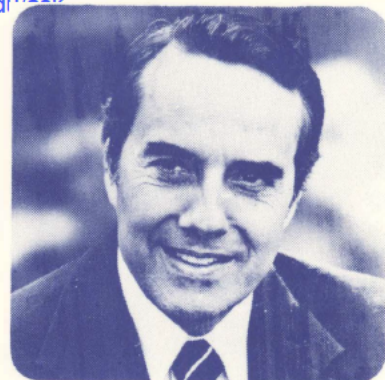


## News from Senator

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### DOLE CALLS FOR FINANCE COMMITTEE STUDY OF FLAT-RATE TAX

WASHINGTON -- Senate Finance Committee Chairman Robert Dole (R.-Kan.) today announced that the Committee will hold hearings later this year on the advisability of a flat-rate tax to replace the current income tax on individuals.

Senator Dole noted that a number of Senators, both Republicans and Democrats, have argued that the present income tax is too complicated and may not be as equitable as could be hoped. However, Dole added that a major modification of the tax code, such as a flat-rate tax, will require substantial study before the Committee would have sufficient information on which to act.

"Senator Charles Grassley (R.-Iowa) and others have advocated that the Treasury Department should study alternatives to the present income tax. I understand that the Treasury Department has begun to study the implications of a simple, flat-rate tax, and I would encourage them to complete their study in time for Committee hearings later this session," Dole said.

"A low-rate tax on a broad base of economic income is an intriguing idea, and has some merit," said Senator Dole. "However, once one gets beyond the general principle, there are numerous questions about which, if any, exceptions should be made. For example, should charitable giving be deductible? Should home mortgage interest be deductible?"

"If we are truly going to simplify the income tax, any decision-making must be based upon an extensive and well thought-out review of the policies and goals of our tax system. Once that review is completed, the Finance Committee will have the opportunity to examine the options this year," said Dole.