

BOB DOLE



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DOLE LAUDS CONFERENCE ACTION ON DEFICIT REDUCTION PACKAGE

WASHINGTON--Senator Bob Dole, (R-Kansas) Chairman of the Senate Committee on Finance, said today that he was pleased with the final outcome of the marathon tax and spending reduction House-Senate Conference that concluded at approximately 5 a.m. this morning.

Dole expressed particular satisfaction that the Conference approved approximately \$11 billion in spending restraint, which included nearly all of the spending cuts in the Senate bill.

"This final spending reduction figure vastly exceeded the \$3 billion in spending cuts in the House bill and was more than we could have realistically hoped for when the Conference began, Dole said.

Dole noted that the approximately \$48 billion in revenue raised by the Conference agreement on taxes was accomplished without any cutback in tax indexing, any tax rate increases or any other surtaxes. In fact, he said, nearly all of the revenue raised came from the curtailment of corporate, accounting and tax shelter abuses endorsed by President Ronald Reagan in his 1985 budget.

"This bill is almost pure tax reform," Dole observed.

Among the principal reforms included in the bill were restrictions on tax benefits for tax-exempt entities who enter into leases for tax purposes, reform of outdated tax accounting rules which have been abused by tax shelter promoters and reforms in the taxation of corporations and partnerships to eliminate many sophisticated tax avoidance devices.

The Conferees agreed to eliminate increases in cigarette taxes which had been proposed by the House and also rejected the higher excise tax on distilled spirits included in the House bill. The Conferees agreed to the smaller increase in the distilled spirits tax included in the Senate bill, and deferred the effective date until next year.

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--Page 2--

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"Congress could have taken the easy way out and just raised everybody's taxes," Dole said. "However, we followed the President's lead and raised revenues through elimination of tax abuses. This bill, combined with the legislation enacted in 1981 and 1982, show a real and effective commitment to fairness in our tax system."

Dole, however, was keenly disappointed that the House Democrats adamantly refused to adopt any variation of the President's Urban Enterprise Zone proposal that was included in the Senate version of the tax bill.

"I believe that the President's Enterprise Zone proposal, which twice has passed the Senate, should have been given a chance," Dole said. Nevertheless, because of the House Democrats' intransigence, it came down to a judgment call, whether we and the President wanted Enterprise Zones or a deficit reduction package more."

Dole praised Congressman Dan Rostenkowski (D-Illinois) for his leadership as Chairman of the Conference. "Dan did a great job of steering this massive bill through Conference and producing a better final product than either the House or Senate bills by themselves," Dole said. "In addition, we had the benefit of conferees from the Senate and House who were willing to put aside personal interests and partisan concerns to work together in constructing this package."

This conclusion of the House-Senate tax conference wraps up the largest portion of the Congressional "down payment" deficit reduction package, Dole said. "With this agreement, it appears that Congress will produce approximately \$140 billion to \$150 billion in deficit reduction this year, which is the goal the President set in his 'Rose Garden' budget agreement with Congressional Republicans," the Senator said.