

## News from Senator

# BOB DOLE



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### DOLE ANNOUNCES END TO BRACKET CREEP: INDEXING FIGURES RELEASED

#### KANSAS TAXPAYERS TO SAVE \$64.2 MILLION

WASHINGTON -- Calling it "a boon for working Americans," Kansas Senator Bob Dole, Chairman of the Senate Finance Committee, today announced the end of inflationary bracket creep for taxpayers with the implementation of his income tax indexing proposal. The Treasury Department is today announcing the adjustments it will make in the tax tables beginning on January 1 as a result of Senator Dole's indexing amendment to the 1981 tax bill.

"Bracket creep has been the taxpayer's greatest enemy, and its final elimination marks a day of triumph for all working Americans, particularly those with low or moderate incomes," Dole said. "I am proud that I was the coauthor, along with Senator Bill Armstrong of Colorado, of the indexing plan. There is no justification -- and there never was -- for the government to use inflation to extract extra dollars from the taxpayer. In effect, 'taxflation' was an annual hidden tax increase without any announcement or any vote by the Congress. From now on, however, Congress will have to vote when it needs to raise revenues or cut spending, and that is the way it ought to be."

Senator Dole indicated that the inflation adjustments being announced today are based on the increase in the Consumer Price Index for fiscal year 1984. These changes will be reflected in income tax withholding tables for the first time in 1985. Taxpayers nationwide are expected to save about \$6 billion in 1985 because of tax indexing. For Kansas taxpayers the savings will be about \$64.2 million.

"We should not forget that tax indexing is a victory for the average working man and woman," Dole said. "Without indexing, taxpayers earning \$10,000 in 1985 would get an 11.9% tax increase. For the median income taxpayer -- \$31,686 in 1985 -- the increase would have been 2.7%. That kind of unlegislated tax increase was unfair and unjust, and now it has been stopped once and for all."

Dole praised President Reagan for his firm commitment to tax indexing and for his decisive support for the 1981 indexing amendment. "This President understands what bracket creep did to the average American, and he believes in being honest and fair with the taxpayer," Dole said. "I wish that Walter Mondale shared that attitude, but unfortunately he never misses an opportunity to take a swipe at tax indexing: most recently in the October 7 Presidential debate, when he said he wanted to repeal indexing. Everyone knows Mondale never met a tax he didn't like, but some of us think fundamental fairness to the taxpayer ought to be our first priority. Maybe the voters will convince Mr. Mondale to rethink his position."