

News from Senator

BOB DOLE



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FOR IMMEDIATE RELEASE
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DOLE SECURES TAX RELIEF FOR FARMERS:
DIESEL FUEL TAX SNUFFED OUT, HEIFER TAX REPEALED
DROUGHT PAYMENTS SAVED FROM DOUBLE TAX

WASHINGTON -- CONCLUDING A SESSION-LONG EFFORT, SENATE REPUBLICAN LEADER BOB DOLE TODAY ANNOUNCED THAT HE HAS HELPED SECURE MAJOR TAX RELIEF ON THREE IMPORTANT ISSUES FOR THE AMERICAN FARMER.

WITH THE MIDNIGHT PASSAGE OF THE CATCHALL 'TECHNICAL CORRECTIONS TAX BILL', SENATOR DOLE ANNOUNCED THAT THE DIESEL FUEL TAX AND THE SO-CALLED HEIFER TAX HAVE BEEN REPEALED. THE BILL IS NOW ON ITS WAY TO THE WHITE HOUSE WHERE PRESIDENT REAGAN HAS INDICATED HE WILL SIGN IT INTO LAW.

"THIS IS A RED LETTER DAY FOR RURAL AMERICA BECAUSE WE HAVE JUST CUT MILES OF RED TAPE OFF THE AMERICAN FARMER," DOLE SAID. "THE DIESEL TAX WAS A CLASSIC BUREAUCRATIC BLUNDER THAT SADDLED FARMERS WITH AN UNFAIR TAX AND UNNECESSARY PAPERWORK. WHETHER IT WAS KANSAS, IOWA, NORTH DAKOTA OR MONTANA, FARMERS WERE QUICK TO TELL ME THAT THE DIESEL TAX 'HAS GOT TO GO'. WELL, I'M PROUD TO SAY THE DIESEL TAX IS HISTORY -- NO MORE TAX AND NO MORE REFUND SLIPS."

MEANWHILE, THE HEIFER TAX WAS ALSO REPEALED, AS LIVESTOCK PRODUCERS WILL NOW BE ABLE TO DEDUCT SOME PRODUCTION EXPENSES BEFORE THEIR STOCK BEGINS TO EARN INCOME.

"THE HEIFER TAX WAS ANOTHER MISGUIDED LAW THAT CREATED HEADACHES AND MOUNTAINS OF PAPER FOR RANCHERS AND OTHER LIVESTOCK PRODUCERS. IT'S BEEN ON RURAL AMERICA'S PUBLIC ENEMY LIST FOR A LONG TIME, BUT THANKS TO OUR BILL THE HEIFER TAX HAS BEEN ROUNDED-UP ONCE AND FOR ALL."

"THE BILL ALSO CORRECTS A PROBLEM CREATED BY AN OVERSIGHT IN THIS YEAR'S DROUGHT RELIEF LEGISLATION: FARMERS WHO RECEIVE DROUGHT ASSISTANCE PAYMENTS BECAUSE THEY LOST INCOME AS A RESULT OF THE DROUGHT WILL NOT HAVE THEIR INCOME DOUBLED-UP FOR TAX PURPOSES. THE DROUGHT WAS BAD ENOUGH -- THERE WAS NO REASON TO HIT OUR FARMERS WITH A DOUBLE TAX. THEY WILL NOW BE ABLE TO TREAT THE DROUGHT ASSISTANCE PAYMENTS THE SAME WAY THEY WOULD HAVE TREATED THE INCOME, HAD THEIR CROPS PROSPERED."

DOLE NOTED THAT THE HUGE TECHNICAL CORRECTIONS BILL ALSO INCLUDED ENACTMENT OF A 'TAXPAYERS BILL OF RIGHTS' TO HELP INFORM TAXPAYERS OF THEIR RIGHTS BEFORE IRS AUDITS; AN EXTENSION OF TAX BENEFITS TO HELP LOW-INCOME FAMILIES BUY THEIR FIRST HOMES; AND MANY IMPORTANT REFORMS AND CORRECTIONS LEFT OVER FROM THE LANDMARK 1986 TAX REFORM BILL.