

**Bob Dole**



**NEWS**

**U.S. SENATOR FOR KANSAS**

**FROM:**

**SENATE REPUBLICAN LEADER**

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## **GOP ECONOMIC GROWTH BILL**

**TIME TO STOP CREATING EXCUSES & START CREATING JOBS;**  
**DOLE ADDS LUXURY TAX REPEAL TO PRESIDENT'S 7 GROWTH MEASURES**

I AM PLEASED TO JOIN WITH MY COLLEAGUES, SENATORS PACKWOOD, DOMENICI AND OTHERS IN INTRODUCING THE REPUBLICAN SUBSTITUTE TO THE FINANCE COMMITTEE TAX INCREASE PLAN.

OUR ALTERNATIVE IS VERY SIMPLE. IT'S A PRO-GROWTH PACKAGE THAT FEATURES MUCH-NEEDED TAX INCENTIVES FOR 'WORKING AND EARNING AMERICA' TO GET THE ECONOMY MOVING AGAIN, AND IT DOES IT WITHOUT BUSTING THE BUDGET AGREEMENT, WITHOUT JACKING UP THE DEFICIT, AND WITHOUT RAISING TAXES. IT INCLUDES THE SEVEN ORIGINAL PROVISIONS OF THE PRESIDENT'S "ECONOMIC GROWTH ACCELERATION ACT" PLUS ONE VERY IMPORTANT ADDITION -- THE REPEAL OF THE SO-CALLED LUXURY TAX, THE DEMOCRATS' MISGUIDED EXPERIMENT IN SOAKING THE RICH THAT REALLY DROWNED MIDDLE CLASS AMERICAN WORKERS. OUR ALTERNATIVE ALSO INCLUDES LEGITIMATE WAYS TO PAY FOR THESE IMPORTANT GROWTH INCENTIVES.

### **REVIVE REAL ESTATE MARKET**

FOUR OF THE SEVEN ORIGINAL INCENTIVES ARE DESIGNED TO HELP SPARK THE SLUGGISH REAL ESTATE MARKET, AND HELP BRING THE DREAM OF HOME OWNERSHIP WITHIN THE REACH OF MORE AMERICANS.

THESE INCENTIVES START WITH A REAL \$5,000 TAX CREDIT FOR ALL FIRST-TIME HOMEBUYERS, WHETHER THEY'RE BUYING A NEW OR EXISTING HOME. THE BENTSEN PLAN RESTRICTS THE HOMEBUYER CREDIT TO PURCHASES OF BRAND NEW HOMES, SHUTTING OUT MORE THAN 80% OF FIRST-TIME BUYERS WHO PURCHASE EXISTING HOMES, AND SHUTTING OUT INNER CITIES AND RURAL COMMUNITIES THAT AREN'T EXPERIENCING MUCH NEW HOME CONSTRUCTION.

THE REPUBLICAN ALTERNATIVE ALSO GIVES FIRST-TIME HOMEBUYERS A HELPING HAND BY PERMITTING PENALTY-FREE IRA WITHDRAWALS FOR THE PURCHASE OF A HOME. WE PROPOSE TO FURTHER STIMULATE THE REAL ESTATE MARKET BY ALLOWING REAL ESTATE INVESTMENT BY PENSION FUNDS, AND PASSIVE LOSS RELIEF.

### **STOP CAPITOL GAMES WITH CAPITAL GAINS**

IT'S TIME TO STOP PLAYING CAPITOL GAMES WITH CAPITAL GAINS. WE SHOULD REDUCE THE CAPITAL GAINS TAX RATE, AND WE SHOULD DO IT RIGHT, AS THE PRESIDENT HAS PROPOSED. THE AMERICAN PEOPLE ARE DEMANDING MORE JOBS, AND THIS IS THE KIND OF EMPLOYMENT-BUILDING GROWTH INCENTIVE AMERICA NEEDS. AND AS PRESIDENT BUSH OBSERVED IN HIS STATE OF THE UNION MESSAGE, 60% OF THE PEOPLE WHO WILL BENEFIT FROM THE LOWER RATE HAVE INCOMES UNDER \$50,000.

TO FURTHER STIMULATE BUSINESS INVESTMENT, WE PROPOSE AN INVESTMENT TAX ALLOWANCE TO HELP BUSINESSES PURCHASE NEW EQUIPMENT. APPROVAL OF THIS MEASURE WOULD BE WELCOME NEWS ON EVERY ASSEMBLY LINE IN AMERICA, WHERE HARD WORKING AMERICANS ARE BUILDING THE EQUIPMENT THAT CAN HELP DIG, PLOW, BUILD AND DRIVE OUR NATION OUT OF THE RECESSION.

THE SEVENTH INCENTIVE IS A PERMANENT SIMPLIFICATION OF THE ALTERNATIVE MINIMUM TAX DEPRECIATION RULES, A MEASURE CERTAIN TO CURB ADMINISTRATIVE COSTS -- AND HEADACHES -- FOR MANY TAXPAYERS.

### **END LUXURY TAX NIGHTMARE: JOBS NECESSITIES, NOT LUXURIES**

AGAIN, THESE ARE THE SEVEN PROVISIONS IN PRESIDENT BUSH'S ORIGINAL GROWTH PACKAGE. TO THE BIG SEVEN, WE HAVE ADDED A CRUCIAL EIGHTH PROVISION -- WE PROPOSE TO RESCUE AMERICAN JOBS FROM THE DEMOCRATS' SO-CALLED LUXURY TAX. LET'S FACE IT, AIRCRAFT MANUFACTURERS, BOAT BUILDERS, SMALL TOWN JEWELERS, AND AUTOMOBILE DEALERS HAVE HAD ALL THE LUXURY THEY CAN TAKE. IF YOU ASK THE WORKERS ON THE ASSEMBLY LINES AT BEECH, CESSNA OR LEARJET IN MY HOME STATE OF KANSAS, THEY'LL TELL YOU THEY CONSIDER THEIR JOBS NECESSITIES, NOT LUXURIES. WHEN THE DEMOCRATS DREAMED UP THE LUXURY TAX, THEY AIMED AT THE HIGH FLIERS, AND ENDED UP

(MORE)

HITTING THE LITTLE GUY, FORCING FOLKS OFF THE ASSEMBLY LINES AND ON TO THE UNEMPLOYMENT LINES. I DON'T THINK THAT'S THE KIND OF FAIRNESS THEY HAD IN MIND. IT'S HIGH TIME WE FIXED THIS CLASS WARFARE CASUALTY.

WHILE THE OPPONENTS OF OUR BILL ARE CERTAIN TO ARGUE OTHERWISE, THIS BILL DOES PAY FOR ITSELF WITH LEGITIMATE FUNDING PROVISIONS. LET ME ALSO ADD THAT WHILE OUR ALTERNATIVE DOES NOT INCLUDE REFORM FOR THE PENSION BENEFIT GUARANTEE CORPORATION, I THINK WE ALL AGREE THAT REFORMS ARE NEEDED TO GET THE PBGC BACK ON ITS FEET. BECAUSE BOTH SIDES CAN'T COME TO AGREEMENT ON THE SCORING OF THESE REFORMS, WE WILL HAVE TO ADDRESS IT RESPONSIBLY AT A LATER DATE -- HOPEFULLY ALONG THE LINES OF THE ADMINISTRATION'S COMPREHENSIVE REFORM PROPOSAL.

PEOPLE WANT A PAYCHECK, NOT A FEW QUARTERS

WE ALSO DO NOT INCLUDE A MIDDLE CLASS TAX CUT IN THIS MEASURE. IF YOU ASK THE AMERICAN PEOPLE, THEY'LL TELL YOU THAT PRIORITY NUMBER ONE IS BOOSTING THE ECONOMY AND PUTTING PEOPLE BACK TO WORK, WITHOUT INCREASING THE DEFICIT. THEY DON'T WANT A FEW QUARTERS A DAY FROM UNCLE SAM -- THEY WANT A PAYCHECK FROM AN EMPLOYER. BUT, I AM CONFIDENT THAT WE WILL HAVE THE OPPORTUNITY TO LOOK AT SO-CALLED MIDDLE CLASS TAX RELIEF -- AFTER WE APPROVE THESE ESSENTIAL GROWTH INCENTIVES.

IT'S TIME FOR CONGRESS TO GET OUT OF THE BUSINESS OF CREATING EXCUSES, AND GET INTO THE BUSINESS OF CREATING JOBS.

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