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NEWS

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NATIONAL COMMISSION ON ECONOMIC GROWTH & TAX REFORM

DOLE WELCOMES PRINCIPLES OUTLINED IN KEMP COMMISSION REPORT; AMERICA NEEDS NEW TAX SYSTEM BASED ON ECONOMIC GROWTH, FAIRNESS, SIMPLICITY & STABILITY

Last spring, Speaker Gingrich and I appointed Jack Kemp to head a National Commission on Economic Growth and Tax Reform.

We asked him to bring together a group of distinguished economists, entrepreneurs, and business leaders to determine how our current tax system hinders economic growth, job creation, and opportunity.

We asked him to start with a blank sheet of paper and to lay out the principles for a new tax system for the 21st century.

And, finally, we asked him to do something that comes naturally to Jack--to be bold, aggressive, and innovative in his recommendations.

Jack, I think both the Speaker and I can stand here today and congratulate you and the entire Commission for fulfilling that mandate.

Principles Serve as Starting Point for Debate

The principles articulated in this report will serve as a starting point for a great national debate on tax reform. These principles--economic growth, fairness, simplicity, and stability--provide the philosophical building blocks for an entirely new tax system.

They create the foundation for a tax system based on economic growth instead of redistribution of wealth; a tax system that encourages entrepreneurship instead of stifling innovation; a tax system that unleashes the full potential of our nation instead of limiting our ability to grow.

No one who reads this report can defend the current system or deny the need for fundamental change.

Need for New Tax Code

The problems of today's tax code are clear. With the latest Clinton tax increase, the top rate now stands at almost 40%. High marginal rates are discouraging work, reducing the rewards of entrepreneurship, and discouraging job creation. Middle class families are being forced to work harder and harder just to keep up--their hopes for a better life taxed away by government.

As the tax code has grown more complex, the IRS has grown more powerful and their agents have grown more aggressive toward individuals and small business owners alike. And, as the Commission's report so powerfully demonstrates, the complexity of the code wastes millions of hours in compliance efforts; and it costs businesses and individuals billions of dollars to meet the ever-changing rules of the IRS.

I agree with the Commission that America needs a new tax code to move us toward our goals.

Tax Relief for Working Families

The central concern of any tax reform initiative must be to provide tax relief for the millions of working families who are shouldering the burden of the current system.

We can never achieve our goal of greater economic growth and opportunity for all Americans by raising taxes on the middle class, or by hindering our ability to reach a balanced budget.

Congressional Hearings & Tax Reform Legislation

There is no doubt that tax reform will be one of the major priorities of the next Congress and the next president. My hope is that the principles in this report--which I am forwarding to Chairman Roth and the Senate Finance Committee--will form the basis for future congressional hearings and debate--and ultimately for tax reform legislation.

During much of the past century, tax policy has been a primary tool with which government has wielded power, fed the bureaucracy, and redistributed wealth.

Deleting the whole twisted wreck of federal tax law and starting anew is the surest way I can imagine to deliver real and lasting economic change to the American people. Because the efforts of Jack Kemp and this Commission, we have taken a giant step toward fulfilling that goal.