



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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DOLE INTRODUCES FIVE-YEAR TAX EXEMPTION FOR GASOHOL

WASHINGTON -- The federal tax exemption for gasohol would be extended for five years under a bill introduced late yesterday by Sen. Bob Dole (R-Kan.). The Dole bill, the Gasohol Tax Exemption Act of 1979, would extend the present exemption from 1984 to 1989, thus increasing production and marketing possibilities for the new alternative fuel.

Dole was a sponsor of the original Gasohol Tax Exemption Bill that exempted gasohol from the four-cent federal gasoline tax from 1979 to 1984. According to recent news reports, some 500 filling stations (mostly in Iowa and Illinois) sold six million gallons of gasohol in January -- up 2.6 million gallons from December.

"With the sharp increase in gasoline prices, many groups are becoming interested in building plants to produce alcohol from agricultural products," Dole said. "New plants will require the commitment of huge capital expenditures. An exemption from the federal gasoline tax until 1989 would give additional encouragement to private groups to undertake the construction of alcohol plants now. Some groups are concerned about the investment because it is not known what Congress will do in 1984 about extending the exemption.

"I believe an additional exemption is needed now to show private industry that government is serious about finding alternative energy sources and willing to make long-term commitments to help develop these new sources. Ten years of tax exemption are needed instead of five to develop a viable alcohol industry."

The private source of nonpetroleum-based alcohol is excess agriculture products. The United States currently has a surplus of many feed grains, including wheat. The use of wheat or corn to produce grain alcohol will result in a new market for farmers, a new industry for agricultural areas, and a more efficient and less-polluting fuel for motorists, Dole said.

"Alcohol blends for use in autos will improve the U.S. economy by reducing dependence on oil imports," he said. "With this limited tax incentive until 1989, gasohol can be made more competitive, plants can be built, and a net energy saving can be realized by America."