

NEWS RELEASE!

Bob Dole. President.

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TAXFLATION WILL COST IOWA TAXPAYERS MORE THAN \$190 MILLION IN 1980, SAYS SENATOR DOLE

CLARION, Iowa -- Taxflation, the movement into a higher tax bracket caused by inflation, will cost Iowa taxpayers \$191,880,000, according to Sen. Bob Dole (R-Kan.).

"Unless Congress moves to index the federal individual income tax, Washington will realize an unearned windfall profit of \$15.6 billion in 1980," said Dole, who is the ranking Republican member of the Senate Finance Committee and a member of the Joint Committee on Taxation. "This works out to \$151.16 for every taxpayer in the state of Iowa."

Dole's figures were compiled by the Joint Committee and assume a 9.3 percent rate of inflation in 1980.

Dole is the sponsor of the Tax Equalization Act of 1979, legislation which would index the federal income tax to the Consumer Price Index, thus eliminating "bracket creep" and "taxflation."

"Our tax system was designed for a world of stable prices," Dole said. "Consider the dilemma of a typical family of four who earns \$15,000 in 1979. Being very conservative, assume an inflation rate of 8 percent. The family will have to earn \$1,200 in 1980, or \$16,200, just to stay even with inflation. But the family doesn't really stay even. While their income increases 8 percent, their income taxes actually increase by \$258, or 12.6 percent, because they've been jumped into a higher tax bracket,

"The result is even more dramatic for those earning \$20,000 or \$30,000, salaries which are no longer reserved for the comfortable few, but are needed if a family unit is to have a chance at a decent life."

Dole also pointed out that last year's so-called "tax cut" was phony. "Last year the Congress passed a multi-billion-dollar tax cut, just in time for the 1978 elections," he said. "But it was a phony tax cut, because it did not protect taxpayers from the ravages of inflation. Recent statistics indicate the 1978 tax cut resulted in a savings of only \$8.72 for each Iowa taxpayer -- hardly the massive tax cut promised by the politicians."

Dole also pointed out that a recent Roper Poll showed that 61 percent of the public favors indexing the tax system, while only 29 percent favor the current system of periodic tax cuts.

"I am proud to bring this fight to Iowa, one of the six states to have enacted indexing legislation on the state level," he said.

Dole appeared today at the Wright County Barbecue.

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