

News from Senator

BOB DOLE



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COMMITTEE PREPARING FOR FLOOR ACTION ON TAX BILL

WASHINGTON -- Senator Bob Dole (R-Kan.) made the following statement today at a news conference on Capitol Hill:

"The Finance Committee last Thursday reported out by a bipartisan 19-to-1 vote the largest tax cut in the history of the United States. This story was partially obscured by the dramatic developments on the budget reconciliation bill last week. Nevertheless, after about 23 hours of committee markup, the Finance Committee produced what I believe to be an outstanding piece of tax legislation. Moreover, the Finance Committee's effort has given the President a significant victory and has put the tax bill back on schedule.

Time Slipping Away

"President Reagan first proposed his tax cut program on February 18, 1981. It will be July 8 when Congress returns.

"Time is slipping through our fingers. Indeed, if Congress does not act soon it will be impossible to deliver any tax relief to the American people this year. Unless the bill is completed before the August recess, the IRS will not have sufficient lead time to implement any withholding changes on October 1.

A Real Tax Cut

"To have a real tax cut for the American people, there needs to be at least the 25 percent reduction in tax rates which was included in the Finance Committee bill. The 15 percent, two-year tax cut recommended by the House Democratic leadership is not even large enough to offset the tax increases caused by inflation and Social Security rate hikes, much less to actually cut taxes. The treasury department has calculated that we need a 22 percent cut in income tax rates just to offset the bracket creep and social security tax increases between 1980 and 1984.

Not Income Redistribution

"The Senate Bipartisan Bill is a tax cut bill, not an income redistribution plan. Nevertheless, the Finance Committee Bill would cut taxes in the fairest possible way -- in exactly the proportion in which they are paid. For example, individuals earning between \$10,000 and \$60,000 now pay about 71 percent of Federal income taxes and they would receive 74 percent of the benefits from the Senate Bipartisan package by 1984.

Prompt Senate Action

The Finance Committee intends to move forward promptly on its Bipartisan Package. The Finance Committee staff has been working on drafting the Bill this week and we expect to file the Bill on Monday, July 6th. The most likely time for floor consideration is the week of July 13th. In preparation for floor action, I have written to all Senators and asked them to forego any floor amendments not supported by the Administration, to facilitate prompt senate action on this Bill. This letter informs members that the Finance Committee is beginning preparation for a second tax bill and invites submission of amendments to be considered on this tax bill. Strict adherence to the Senate time schedule, as well as prompt Ways and Means Committee action, is vital to our effort to complete this Bill before the August recess."