

News from Senator

BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE:
THURSDAY, APRIL 14, 1983

CONTACT: WALT RIKER
202/224-6521

STATEMENT OF SENATOR DOLE AT WITHHOLDING PRESS CONFERENCE

Tomorrow is April 15, a day millions of conscientious taxpayers will file their federal income tax returns. Tomorrow, as well, debate will resume in the United States Senate on a proposal to repeal interest and dividend withholding, an important tax reform proposed by President Reagan, and enacted as part of last year's tax reform act. We are confident that with the continued support of the President, and the leadership of the Senate and House of Representatives, withholding on interest and dividends will be retained, and take effect on July 1, 1983. We are happy to have the support of a broad spectrum of public interest, labor, civil rights, and consumer organizations who are here today to publicly express their support for withholding.

In the unlikely event withholding is repealed, April 15 will in the future be a more pleasant day for a growing minority of taxpayers who for a number of reasons do not report all or part of their dividend and interest income. But a much more annoying and costly day for the majority of American taxpayers who are conscientious in reporting and paying their taxes.

-30-

AFL-CIO
Children's Defense Fund
Common Cause
National Consumer League
Mexican American Legal Defense and Education Fund
National Organization for Women
National Low Income Housing Coalition
Center on Budget and Policy Priorities
National Retail Merchants Association
National Women's Political Caucus
Teamsters
Consumer Union
Congress Watch
Food Research and Action Center
Consumer Federation
Community Nutrition Institute
Americans For Democratic Action (ADA)
Citizens for Tax Justice
Public Voice For Food and Health Policy
American Association of University Women
American School Food Service Association
Center For Community Change
National Urban Coalition
NAACP
Nat'l Council of Senior Citizens
Nat'l Urban League

NCL

National
Consumers
League
Founded 1899

1522 K Street NW • Suite 406 • Washington, DC 20005 • (202) 797-7600

Barbara F. Warden, Executive Director

Thursday, April 14, 1983
FOR IMMEDIATE RELEASE

CONTACT: Susan L. Phillips
(202) 797-7600

NATIONAL CONSUMERS LEAGUE

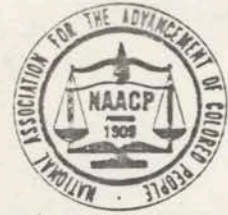
OPPOSES WITHHOLDING REPEAL

The National Consumers League strongly opposes attempts to repeal the new withholding provision for interest and dividend income scheduled to go into effect on July 1. The provision is not a new tax, but is merely a method for improving tax compliance. Withholding will hurt only those dishonest taxpayers who do not report interest and dividend income. About 13 percent of interest and dividend income goes unreported every year. Implementation of the new withholding provision will raise an estimated \$19 billion over five years. This provision can be an important element in helping hold down the massive federal deficit.

The withholding provision takes into consideration elderly and low-income individuals who may need all their interest and dividend income immediately by providing exemptions for these individuals. Withholding is an equitably designed mechanism that will force tax-dodgers to pay their fair share of the tax burden. It should be implemented without delay.

#





NAACP NEWS

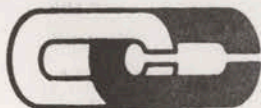
NATIONAL ASSOCIATION
FOR THE ADVANCEMENT
OF COLORED PEOPLE

Washington Bureau
1025 Vermont Ave. N.W.
Washington, D.C. 20005
Contact: 638-2269

WITHHOLDING

IN THE INTEREST OF TAX REFORM AND TAX COMPLIANCE, THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE SUPPORTS THE NON-REPEAL OF THE WITHHOLDING ON INTEREST AND DIVIDEND INCOME PROVISION OF THE 1982 TAX REFORM BILL.

THE NAACP REJECTS THE NOTION THAT WITHHOLDING CONSTITUTES A NEW TAX. IN POINT OF FACT, WITHHOLDING IS THE MOST EFFICIENT AND EQUITABLE METHOD FOR COLLECTING THE TAXES DUE ON INTEREST AND DIVIDEND INCOME WHICH IS IN COMPLIANCE WITH EXISTING LAW. THE NAACP CALLS ATTENTION TO THE FACT THAT EXEMPTION PROVISIONS HAVE BEEN MADE UNDER CURRENT LAW FOR THE LOW INCOME AND THE ELDERLY.



common cause

2030 M STREET, N.W., WASHINGTON, D. C. 20036 (202) 833-1200

Archibald Cox
Chairman

Fred Wertheimer
President

John W. Gardner
Founding Chairman

Statement of Common Cause President
Fred Wertheimer
on Withholding on Interest and Dividends

Press Conference
14 April 1983

Tomorrow is the deadline for Americans to file their income tax returns. Because of inadequate collection procedures, however, it is estimated that more than \$20 billion earned in dividends and interest will not be reported to the Internal Revenue Service. As a result, the Treasury will be short billions of dollars in lawfully owed taxes -- a revenue shortfall that falls upon the backs of all Americans.

It is for this reason that Congress last year enacted new tax compliance provisions to require withholding for interest and dividends. The issue involved here is not higher taxes -- it's higher tax compliance and a fairer distribution of our national tax burden.

The special interest nature of our present tax system, however, can be vividly seen in the massive campaign being conducted by the banking industry to repeal this withholding provision. The banks have chosen to prey upon the fact that people do not view paying taxes as one of their great pleasures. Taking advantage of this and combining it with scare tactics and misleading information, the banking industry has spent millions of dollars

page two

to conduct a national campaign to repeal the withholding provision.

We have had withholding on wages for some forty years because it's the most effective way we have to assure compliance with tax laws. It's not fun. But citizens accept it because they understand it's needed. What's the difference here? The banks are the difference. They have stirred up the nation because they don't want to bear the costs and the administrative burdens of withholding on interest and dividends, costs and burdens that are borne by millions of organizations in this country when they withhold on wages.

Bankers pride themselves in being concerned about fiscal integrity, but when it comes to the fiscal integrity of our national tax system, the banks have decided they cannot be bothered.

The banking industry's insistence on privileged treatment cannot be allowed to prevail. It would set the worst kind of example and deeply undermine the important progress we began to make, with last year's tax bill, toward eliminating the terrible inequities that pervade the tax system.

We are all aware of the tremendous pressure that has been brought to bear on Members of Congress on this issue. Common Cause commends the leadership being offered by Senator Dole and Senator Kennedy on this very important issue. We also commend President Reagan, Speaker O'Neill and Representative Rostenkowski for the crucial role they have played in preventing repeal of

page three

the withholding provision.

We are pleased to join here today with others to urge Congress to refuse to give in to the banking industry's campaign. The American public has lived with withholding on wages and it will live with withholding on interest and dividends, if the banks are not allowed to overwhelm the Congress.