

News from Senator

BOB DOLE



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DOLE SAYS POLITICAL GAMESTERS LOSE TAX CAP BATTLE --
CHAIRMAN CALLS FOR BIPARTISAN TAX REFORM

WASHINGTON -- Following the defeat of a so-called tax cap on the third year of the President's tax cut, Kansas Senator Bob Dole called for bipartisan support of tax reform measures.

"The working men and women of America were the real winners today. Despite persistent efforts by political gamblers on Capitol Hill to deny workers their tax relief, fairness has finally prevailed," Dole said.

"In reality, the 'tax cap' was just another way of saying 'tax increase'. It would have meant higher taxes on 8.1 million federal tax returns, including returns from 2.4 million small businesses and 350,000 family farms. About 48 percent of the returns hit by the tax cap would have affected incomes of less than \$50,000, beginning at \$29,800 -- definitely not tax returns from the rich as some people wanted you to believe."

"It makes no sense to raise tax rates when special tax breaks go unexamined and \$100 billion is being lost in the tax compliance gap. Last year's tax bill raised nearly \$100 billion through tax equity measures. Not a single Democrat in the Senate voted for that measure, and only 11 voted for the final conference report. The other side of the aisle must have thought it was unfair to cut off juicy loopholes that help large companies escape billions in taxes."

"This is the time to put aside all the rhetoric about the tax rate cuts, and focus on the real problems of the tax system and the deficit. We should plot a course toward continued lowering of tax rates, in conjunction with base-broadening and compliance measures that make better use of the system. In addition, we need a commitment toward lower spending to make sure that the goals are linked together. That is what would be really fair."