

News from Senator

# BOB DOLE



(R - Kansas)

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DOLE SECURES REPEAL OF BURDENSOME RECORD-KEEPING RULES  
CORPORATE AIRCRAFT "HITCHIKING" RULES ALSO CHANGED

WASHINGTON -- Senate Majority Bob Dole (R-Kans.) today led Senate action to repeal tax record-keeping requirements that place an unfair burden on farmers and businessmen.

This final congressional action came on adoption of a House-Senate agreement on legislation, which not only revoked contemporaneous record-keeping, but also supported the Senate's position that written records will not be necessary to back-up a taxpayer's position that a deduction is justified. However, some evidence in addition to the taxpayer's own statement will still be required.

"I'm pleased to say we've finally cooked that record-keeping turkey. In my view, the Senate agreement represents a responsible compromise between complexity and compliance that will make sure taxpayers don't have to be accountants," Dole said.

Dole said the agreement "represents a responsible compromise between compliance and complexity and does so in a neutral fashion."

Dole also noted that he was especially pleased with the Treasury Department's decision to revise regulations regarding the value of personal travel on corporate aircraft, making further legislative action unnecessary.

Working with Assistant Treasury Secretary Pearlman and IRS Commissioner Roscoe Eggar, the Kansas Republican saw to it that the rules were amended in a way that provides a fair valuation for personal travel on company aircraft. Dole and his staff also worked closely with officials of the Kansas aircraft industry to insure their concerns were presented to the IRS.

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As part of the 1984 tax bill, Congress mandated that the fair market value of fringe benefits such as personal travel on a business plane be included in the income of employees who receive such benefits. In its regulations, the IRS defined fair market value to be as much as three times first class airline fare or even charter rate in certain circumstances.

Under the revamped regulations, described in a letter from Assistant Treasury Secretary Pearlman to Senator Dole, the amount included in an employee's income will depend on the type of plane as well as on whether the plane is carrying a substantial number of persons flying for business reasons. If at least half the passenger seats are occupied by business flyers, employee "hitchhikers" will be able to ride for free. Under no circumstances will the amount included in an employee's income as a result of a personal trip on a company plane exceed one and one half times commercial first class fare for any general aviation aircraft produced in Kansas today. While flights on larger aircraft may cause employees to include twice first class fare in certain circumstances.

Dole said the new aircraft fringe benefit rules are fair both to the Treasury and employees. They address the "empty seat" problem and provide adequate, but not punitive, valuations for employee travel that ought to improve compliance.

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