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FOR IMMEDIATE RELEASE

WASHINGTON, D.C., FEB. 10, 1971 -- U.S. Senator Bob Dole today joined in sponsoring a bill to implement the President's Revenue Sharing Plan.

In a statement on the Senate floor, Dole said, "The general revenue sharing proposal is simple and automatic. The total amount to be shared is a fixed percentage of a growing entity, the Federal individual income tax base. Initially this plan will provide a full-year outlay of \$5 billion."

Dole said the state and local governments must have money to provide and improve schools, police and fire protection, streets and highways, hospitals and health services and all other services that cities and states provide. Dole said, "The tax structures of state and local governments are usually not progressive, they are based largely on sales and property valuation, so these governments have met their needs by increasing existing taxes and imposing new taxes."

"For instance, in 1960, nineteen states were imposing income and sales taxes. By 1970, this number had climbed to 33, and during this same period, state and local tax collections outpaced national economic growth. These taxes rose from the equivalent of 7.3 percent of GNP in 1960 to 8.6 percent of GNP in 1970. But -- and this is the crucial point -- between 1950 and 1967, only 47 percent of the increase in major state taxes -- income and sales taxes -- was the result of economic growth. Fifty-three percent of that growth was the result of legislative enactment."

"The more revenue an individual state, municipality or county collects itself," Dole explained, "the greater will be its share of the funds allocated. All general purpose local governments ... will share in these funds. On the average, the distribution formula results in about one-half of the general revenue sharing total going directly to local governmental units. But, if state and local governments do not wish to adopt the basic formula, there will be an incentive payment for them to sit down together and work out their own distribution plan."

The Kansas Senator said, "The general revenue sharing proposal maintains a policy of no program or project 'strings' attached to the use of the funds. The minimal requirements are these:

- The states must share funds with their local governments over an above current intra-state grants.
- The recipients must annually provide the Treasury Department with an informational report on the use of the sharing funds.
- Safeguards against discrimination, provided by law for all Federal grants, will also apply to revenue-sharing funds."

"With the implementation of this plan to share resources, the individual will find his voice in government strengthened and the upward pressures on his state and local taxes reduced. The many rigidities, requirements and delays inherent in existing Federal aid will be drastically reduced, and in many cases eliminated," Dole said. "This is a program for progressive America."