

NEWS from U.S. Senator Bob Dole

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HOUSE-PASSED TAX BILL DOESN'T GO FAR ENOUGH, DOLE SAYS

LAKE CHARLES, La. -- Sen. Bob Dole (R-Kan.), a member of the Senate Finance Committee, said today that the tax bill currently pending before the committee does not go far enough in providing adequate tax reductions for the majority of Americans, and will need substantial improvement.

The Finance Committee is considering the \$16-billion House-passed tax package, and will begin final deliberations after the Labor Day holiday.

"The House bill, if enacted, will not -- because of inflation and new Social Security taxes -- provide any tax reduction for millions of Americans," Dole said. "The mood of the country and the state of the economy dictate a substantial tax change. We need to enact taxpayer inflation protection, such as tax indexing, which I have proposed in the Senate."

Last spring, Dole introduced a comprehensive anti-inflation tax proposal, designed to compensate for "taxflation" in the three major federal taxes -- income, gift and estate.

The proposal, known as the Tax Indexation Act (S. 2738), would index the significant financial amounts used in determining individual income tax rates, exemptions, deductions and credits. The bill also contains a provision similar to the capital gains indexing proposal adopted by the House.

"In addition to providing relief for individuals, we should develop policies to encourage capital formation for businesses," Dole said. "The Administration has branded the tax bill as a 'give-away.' However, they fail to understand that the government drains the American economy of 80 percent of the available capital year after year. Unless we reverse that trend, the government will eventually ruin the private sector, which provides jobs and pays a large share of taxes."