

News from Senator

BOB DOLE



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DOLE INTRODUCES BILL EXEMPTING ROYALTY OWNERS FROM WINDFALL TAX

WASHINGTON-- Senator Bob Dole (R.-Kansas) today introduced legislation which will exempt royalty owners from the Windfall Profits Tax, up to a total of 10 barrels per day of royalty interest.

According to Dole, this 10 barrel per day exemption should cover the vast majority of the small royalty owners who will be severely impacted by the Windfall bill.

"At least in Kansas, most royalty owners are working farmers who are struggling to survive. in the face of plummeting farm commodity prices. These individuals are dependent on the modest royalty checks they receive to help them weather the currently unfavorable farm market," said Dole.

"Also, there is a sizable number of royalty owners who are retired who depend on their small royalty checks to supplement their social security payments. Clearly these persons are not oil profiteers. They were not the intended target of the Windfall Profit Tax when it was first proposed, when it passed the Senate Finance Committee, or when it originally passed the Senate," said Dole, who led an unsuccessful effort to send the bill back to committee to air these problems last week.

"My effort to send this bill back to the Senate Finance Committee failed, but a number of Senators agreed with me that we have done the royalty owners an injustice. I hope they will now join with me to correct this oversight," said Senator Dole.

The bill, which was signed by the President today, subjects royalty owners to the full Windfall Profit Tax rates-- a 70% rate on upper and lower tier oil, a 60% tax rate on stripper oil and a 30% tax rate on newly discovered, incremental tertiary and heavy oil.

"These are the same rates that apply to the big multinational oil companies," said Dole. "Surely this was not our original intent when we worked on this bill in committee to tax a small royalty holder at the same rate as Exxon or Royal Dutch Shell," said Dole. "It is difficult to justify why a working farmer or a retired person should be subject to the Windfall Tax at all. These small landowners may be reluctant to lease their propoerty-- and domestic production will suffer. I urge the Senate to act quickly on this bill," Dole concluded.