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DOLE SAYS BELATED ADMINISTRATION SUPPORT OF INTERIOR ROYALTY RELIEF WELCOME

FREDONIA, Kan. -- Senator Bob Dole (R.-Kansas) said today he was pleased that the Carter Administration has apparently agreed to accept an amendment sponsored by Senator Dole and endorsed by the Senate to provide a tax credit for royalty owners of up to \$1,000 against their 1980 windfall profits tax liability.

The amendment to the budget reconciliation bill is currently pending action in a House-Senate conference committee. This one-year tax credit would be available to individuals, estates and family farm corporations.

"I have learned that the Administration has instructed Democratic conferees to accept the royalty credit," Dole said. "This confirms word I have received from several Administration sources within the past several weeks that they would look favorably upon the amendment when the conferees meet on the entire bill.

"It is clear that the Administration has finally succumbed to the public pressure in favor of this legislation, which is designed to offset the pernicious effects of the windfall profits tax. I, along with Senator David Boren (D.-Okla.), realized early in the windfall debate that it would be necessary to compensate royalty owners in some fashion for the inequities of the windfall tax. I personally feel that we can still go further. Ultimately, some form of permanent relief for royalty owners is necessary as long as the windfall profits tax is in place. Although in the past the Administration has given me some indication they might agree to an interim solution to the problem, they have never shown an interest in a permanent solution. Something close to my bill to exempt up to 10 barrels a day of royalty interest should be enacted."

The Dole-Boren amendment provides relief for the widest possible range of royalty owners, and is designed to protect those with modest royalty income.

"We are talking about people who in many instances are counting heavily on their royalty checks to supplement fixed incomes," Dole said. "Since our amendment provides a tax credit against the windfall tax, rather than against the federal income tax, relief could be extended to all royalty owners, even those whose income is so low that they do not pay federal income taxes. These people are not the representatives of Big Oil."

The amendment would enable royalty owners to get a refund of 1980 windfall profit taxes already withheld by early 1981.

"We are grateful for any help the Administration would like to give us in this fight, but credit should go to the efforts of small royalty owners across the country for pointing out the disastrous effects the windfall bill will have on them," Dole said. "I only wish that the Administration had been with us from the start."