

News from Senator

BOB DOLE



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KANSANS TO BENEFIT FROM DOLE TAX AMENDMENTS

WASHINGTON - The United States Senate today passed several tax bills containing amendments originally introduced by Senator Bob Dole (R-Kan.) which will have a beneficial impact for certain economic groups in the state of Kansas.

One amendment to H.R. 4155 would ensure that farmers and other small businessmen are not prohibited from taking an investment tax credit. The Dole provision amends the alternative minimum tax, which was designed to make sure that wealthy persons paid at least some tax on capital gains and other income sheltered by large amounts of itemized deductions.

"I have been particularly interested in this provision, since current tax law has adversely affected small businessmen and farmers who have not incorporated," Dole said. "These people have every right to take the investment tax credit when they purchase new equipment and indeed, probably can use the credit even more than some larger corporations."

Another Dole amendment (to H.R. 4968) would provide a tax option for those who earn income overseas while working for "qualified charitable services." This includes religious groups, charitable organizations, and scientific or educational endeavors.

The Foreign Earned Income Act of 1978 generally replaced the prior \$20,000 foreign-earned income exclusion with a new system of itemized deductions for the excess cost of working overseas, and an additional \$5,000 deduction for employees working in hardship areas.

"My amendment would allow individuals who perform work for these charities in less developed countries to elect this exclusion of \$20,000 from their gross income for U.S. tax purposes," Dole said. "This is a provision which has extremely low revenue impact and would help to encourage missionary work and other worthwhile charitable services in less developed areas of the world."