

News from Senator

BOB DOLE



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SENATOR DOLE CALLS FOR MODIFICATION OF LEASING PROVISIONS

WICHITA, KANSAS -- Senator Bob Dole (R.-Kan.), Chairman of the Senate Finance Committee, predicted today that the so-called safe harbor leasing rules enacted as part of the Economic Recovery Act will be either substantially limited or totally repealed on the first available tax vehicle. The staff of the Senate Finance Committee is studying eight or nine different options to limit or repeal leasing. "I have discussed this matter with Chairman Dan Rostenkowski of the House Ways and Means Committee, and he shares my view that changes should be made to the leasing rules and indicated it is a high priority concern for his committee," Senator Dole stated.

Speaking at a Wichita Chamber of Commerce breakfast, Senator Dole announced, "It is my intention that any changes to leasing apply to leases entered into after February 19, 1982, and to property purchased after this date. Thus, corporations entering into leasing deals after today do so at their own risk," Dole said.

"These new leasing rules permit the transfers of tax benefits at a cost to the Treasury that has been conservatively estimated at \$27 billion through 1986," Senator Dole stated. "Published reports indicated that the leasing provisions, as interpreted by the Treasury, are being used in unwarranted and unintended ways. However desirable many tax theorists find the current safe harbor leasing rules in the abstract," Dole continued, "they are indefensible in a year in which the federal deficit will reach nearly \$100 billion. I intend to see that this hemorrhage to the Treasury is halted today."