

News from Senator

BOB DOLE



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DOLE INTRODUCES BILL TO HELP SMALL BUSINESSES

WASHINGTON -- Continuing a call for comprehensive tax revisions for small businesses, Senator Robert Dole (R.-Kan.) has introduced legislation that will help untangle the complicated web of tax codes currently entrapping almost 400,000 small businesses across the country.

If enacted, the Subchapter S Revision Act of 1982 would permit most small business corporations to avoid paying a double tax--once at the shareholder level, and again at the corporate level.

"As Chairman of the Senate Finance Committee, simplification of the Internal Revenue Code will continue to be a major goal of mine. This bill represents a major step forward in that simplification process, and is the culmination of five years of careful study," Dole said. "Overhauling the tax code goes hand-in-hand with our recent efforts in the Taxpayer Compliance Improvement Act to improve the equity of tax collection."

Under the Dole bill, the number of shareholders allowed Subchapter S corporations would increase from 25 to 35. This increase will permit a wider contribution of capital to small business, and conform the number of shareholder rules to the numerical limits of federal securities laws for private offerings.

Other provisions of the tax reform proposal will similarly simplify rules, expand eligibility and open-up investment and planning opportunities. These changes, for example, will let families maintain control over small businesses through incorporation, and allow the orderly transfer of such businesses through generations.

"Previously, small businesses faced the dilemma of either paying double tax, or complying with myriad rules and regulations that required the costly services of accountants and attorneys," Dole said.

"I want to emphasize that the bill as introduced demands in-depth technical consideration. Comments from the tax community are welcome."