

News from Senator

BOB DOLE



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DOLE PREDICTS ADMINISTRATION MINIMUM TAX PROPOSAL

WILL BE RESTRUCTURED

WASHINGTON -- Senate Finance Committee Chairman Robert Dole (R.-Kan.) predicted today that the Administration's corporate minimum tax proposal will be significantly restructured when it is considered by the Senate Finance Committee in the next few days.

"I have long supported the general concept of an alternative minimum tax. It is not unreasonable to ask corporations and upper income individuals with substantial economic income and low federal tax rates to contribute more when we are asking others to make sacrifices to reduce the federal deficit," Dole said.

"Nevertheless, the Administration's minimum tax proposal seems defective in a number of respects. For example, it has been pointed out that as drafted the Administration proposal particularly affects some financially struggling companies that are carrying forward net operating losses. Also, the proposal has an unduly harsh impact on a few particular industries rather than broadly spreading the burden of the tax. For instance the Administration's proposal appears to fall particularly heavily on independent oil producers that have active drilling programs."

"I have asked my staff and the Treasury Department to develop a number of minimum tax options that broaden the minimum tax base and more fairly spread the burden of the tax," said Dole. "I expect the Committee to consider such alternative proposals when it meets to draft its deficit reduction package later this week and next week."