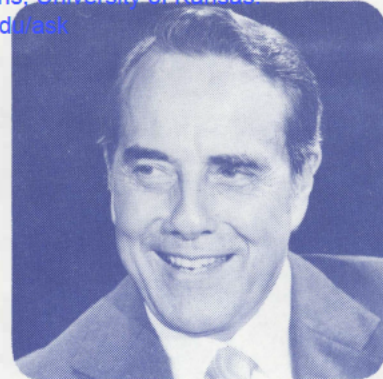


News from Senator

BOB DOLE



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DOLE: TAX REFORM PROPOSAL WOULD HELP FARMERS

Washington, DC -- The new tax reform legislation adopted by the Senate Finance Committee last week contains provisions which would make the tax code more fair to American farmers, according to Kansas Sen. Bob Dole.

"While a lot has been said about many key sections of the proposed legislation, there's especially good news in the Senate measure for American agriculture. I believe our changes will mean a tax code that is more fair to farmers, and will serve as another step toward economic recovery in the Farm Belt," said Sen. Dole, a member of the Finance Committee.

Sen. Dole said the tax reform legislature contained six major provisions affecting farmers. They include:

- * An allowance for farmers to deduct no more than 50-percent of "prepaid" expenses - particularly livestock - to discourage the use of farm operations as tax shelters for wealthy, outside investors.
- * An allowance for self-employed farmers to deduct 50-percent of health insurance premiums as business expenses.
- * An allowance for farm heirs to sell holdings after 10 years without a tax penalty so those distressed by hard times who would best recover by selling could do so without incurring a large tax bill.
- * An allowance for farmers to escape a tax penalty on troubled farm loans when lenders "write-down" or reduce the principal.
- * An extension of the depreciation allowance for single purpose agricultural structures from five years to 10.
- * An extension of the availability of "Aggie" or development bonds for first-time farmers, from 1986 to 1988.

Sen. Dole said he would bring the proposed tax reform legislation to the Senate floor next month, and predicted the legislation would easily pass.

From there, conferees from the Senate would meet with members of the House of Representatives, where a different tax package was adopted late last year, to reconcile differences between the two reform measures.