

Bob Dole



NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

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NATIONAL COMMISSION ON ECONOMIC GROWTH & TAX REFORM

STATEMENT OF SENATE MAJORITY LEADER BOB DOLE

WASHINGTON -- Senate Majority Leader Bob Dole placed the following statement in the record on today's Senate Committee on Finance hearing on the National Commission on Economic Growth and Tax Reform:

Thank you Mr. Chairman for holding hearings on the very important issue of tax reform, and in particular the report of the National Commission on Economic Growth and Tax Reform. I join in your warm welcome to our distinguished witnesses -- Jack Kemp, Pete du Pont and Matt Fong.

Speaker Gingrich and I appointed the Commission last Spring and charged it with making recommendations on a tax system that is fairer, flatter, simpler, with lower tax rates. We asked Jack Kemp to chair the Commission, knowing his commitment to expanding economic growth and opportunity would help lead the Commission to designing a system that promotes savings and investment, as well as job creation.

The Commission recommended six basic principles integral to a tax system for the 21st century -- economic growth, fairness, simplicity, neutrality, stability, and visibility.

No one could say that these important principles apply to the current tax law. Current law is tremendously unfair, and overly complex and burdensome. Taxpayers spend countless hours and billions of dollars attempting to comply with the current system -- and since it is so complicated, they never really know that they computed their tax accurately -- and for that matter, neither does the IRS.

My hope is that the Commission's report will help lead us to the development of a new tax system so that we can end the IRS as we know it.

The Commission travelled the country listening to taxpayers about the need for a new tax system. Individuals complained about the complexity of current law and the intrusive activities of the IRS. Small businessmen and women complained about the high level of income and payroll taxes and how these taxes impede their ability to hire new workers and expand their businesses. Tax preparers complained about the voluminous paperwork burden they face attempting to comply with current law. And economists complained about how the current system thwarts economic growth, penalizes savings and investment, and favors certain activities over others.

The Commission, and I think most of the country, agrees on one thing -- the entire system needs to be scrapped and replaced with a fairer, flatter, simpler system with lower rates.

The Commission's report will ensure that tax reform is widely debated this year. When Speaker Gingrich and I appointed the Commission early last year we knew that the Commission would be studying a critically important issue -- one that impacts virtually every American, and which is vital to the economic health of the country. We knew that Jack Kemp and the 13 other Commission members would provide valuable insight into what is wrong with the current system and what needs to be changed to help develop a better one for our children and grandchildren.

I want to extend my personal thanks to each of the Commission members -- Loretta Adams, President of Market Development, Inc.; Ken Blackwell, State Treasurer of Ohio; Herman Cain, Chairman and Chief Executive Officer of Godfather's Pizza, Inc.; Former South Carolina governor Carroll Campbell Jr. now with the American Council on Life Insurance; Former Delaware Governor Pete du Pont now Policy Chairman of the National Center

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for Policy Analysis; Jack Paris, President and Chief Executive Officer of the National Federation of Independent Business; Ed Feulner, President of the Heritage Foundation; Matt Fong, State Treasurer of California; Ted Forstmann of Forstmann Little & Co.; Dean Kleckner, President of the American Farm Bureau Federation; former IRS Commissioner Shirley Peterson now President of Hood College; John Snow, Chairman, President, and Chief Executive Officer of CSX Corporation; and John Wieland, President of John Wieland Homes, Inc.

As Speaker Gingrich and I wrote in our foreword to the Commission's report -- We envision:

- ◆ A tax system that is fairer, flatter, and simpler.
- ◆ A tax system that promotes, rather than punishes, job creation.
- ◆ A tax system that eliminates unnecessary paperwork burdens on America's businesses.
- ◆ A tax system that recognizes the fact that our families are performing the most important work of our society.
- ◆ A tax system that provides incentives for Americans who save for the future in order to build a better life for themselves and their families.
- ◆ A tax system that allows Americans, especially the middle-class, to keep more of what they earn, but that raises enough money to fund a leaner, more efficient federal government.

The Commission's recommendations serve as the starting point of the national debate on tax reform. The Commission established the foundation for a new tax system based on economic growth and opportunity. It is now up to Congress and the American people to decide the specifics of the new system.

This is why I have called for congressional hearings to begin as soon as possible to begin a thorough review of the Commission's report and the more comprehensive tax reform plans that have been developed to date. I am pleased that Chairman Roth quickly scheduled the first of a series of hearings on the Commission's report, and that the Commission members continue to be generous with their time, continuing to consult with Members of Congress and the public on the Commission's report.

I am anxious to participate in a deliberate, thoughtful examination of these recommendations and a vigorous public debate to ensure that the recommendations would lead to a better tax system. The central concern of any tax reform initiative must be to provide tax relief for the millions of working families who are shouldering the burden of the current system. We can never achieve our goal of greater economic growth and opportunity for all by raising taxes on middle income Americans.

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