



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 224-6521

FOR IMMEDIATE RELEASE: Wednesday, March 30, 1977

HURRY WITH SICK PAY TAX ACTION, DOLE ASKS

Washington, D.C. -- Sen. Bob Dole (R-Kan.) requested today that the Senate complete action before the April holiday recess on a bill to avoid a retroactive tax increase for many people who were disabled and unable to work last year.

Unless the legislation is passed by April 15 -- the deadline for paying income taxes -- Dole said thousands of retired Americans would be forced to pay up to \$5,200 in taxes that they had not planned for.

MADE RETROACTIVE

The Tax Reform Act that Congress approved last year repealed the exclusion of sick pay from income taxation. But the provision was made effective retroactively to the beginning of 1976, which meant that it would cover some payments for which no taxes were withheld.

A new bill sponsored by Dole and 36 other Senators has been unanimously approved by the Senate Finance Committee postponing the effective date until this year, which means it would cover sick pay in 1977 and thereafter. Dole moved to have the provision added as an amendment to the Tax Reduction Act which is now awaiting action in the Senate.

A similar bill to cancel the retroactive impact of the exclusion repeal is due to be taken up and passed by the House of Representatives under its suspension of the rules procedure.

ACT BEFORE FILING DEADLINE

In letters to the Senate leadership of both parties, Dole asked that the bill be taken up immediately as a separate matter by the Senate after it is received from the House. It now appears that the Tax Reduction Act won't be sent to the White House for the President's signature before the holiday recess.

"April 15th is rapidly approaching," Dole said. "Inasmuch as Congress is almost certain to reconsider the effective date of the sick pay exclusion repeal so as not to have 1976 income covered, it makes sense for us to complete the legislative process before the tax filing date."