



NEWS from U.S. Senator Bob Dole

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FINANCE COMMITTEE ACCEPTS DOLE PROPOSALS TO REJECT GAS-GUZZLER TAX, ADOPT GASOHOL EXEMPTION

WASHINGTON, D.C. -- The Senate Finance Committee today accepted Senator Bob Dole's proposal to strike the so-called "gas-guzzler tax" from the Energy Tax Act of 1977 that they are currently considering.

Dole pointed out that experts appearing before the Committee had testified that the gas-guzzler tax, while not saving a significant amount of energy, would have a serious negative economic impact -- not only in the automobile industry, but also in many related economic sectors. The Kansas Senator called the gas-guzzler tax "discriminatory against lower and middle income individuals. Imposition of the tax would deprive most large families of the transportation they need, because it is a tax only a limited number of Americans could afford."

The Finance Committee also adopted a Dole amendment to exempt gasoline with a minimum blend of 10 percent non-petroleum derived ethanol or methanol from the present federal fuel tax of 4¢ per gallon, for a test period of four years.

"By making alcohol fuel prices competitive with gasoline," Dole said, "public awareness of alcohol fuel as a way of decreasing our dependence on foreign oil would be promoted. It will also serve to consume agricultural residues, timber products, coal and sewage." Dole pointed out that the exemption will cause little revenue loss to the U.S. Treasury, "because at present, the capacity to produce gasohol is small and will require several years to grow. In addition, because total consumption of automotive fuel will not be affected by the blending of alcohol with gasoline, state gasoline tax revenues will not be reduced."