

News from Senator

# BOB DOLE



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FOR IMMEDIATE RELEASE  
THURSDAY, JUNE 28, 1979

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## STATEMENT OF SENATOR BOB DOLE

### PRESS CONFERENCE -- REPEAL OF CARRYOVER BASIS

JUNE 28, 1979

"I am pleased to join with my distinguished colleague from the Senate Finance Committee, Senator Byrd, and the distinguished members from the House, in promoting the effort to repeal the onerous and ill-conceived carryover basis rules.

"As most of you know, carryover basis was enacted as part of the Tax Reform Act of 1976 with little or no consideration in Congress. It is a disastrous law. It will have a serious and detrimental effect on many of our nation's farmers and small businesses. It is a law that should have never been adopted and I heartily endorse and support the efforts made for its repeal.

"In the Senate, I have introduced a bill, S. 1163, along with 25 co-sponsors. The bill has wide bipartisan support and I believe that we will be successful in repealing carryover basis. Many changes have been made surrounding this issue. There are some members of Congress and individuals in the Treasury Department who have chosen to confuse and cloud the real issues. The issue is not whether there should be a tax on so-called inherited wealth. The issue is: should the tax law be administered fairly, equitably and impose the least burden on our citizens.

"Being from a farm state, I am concerned that carryover basis, if ever implemented, will impose a harsh and unconscionable tax burden on the American family farmer. We must examine carryover basis from the standpoint of both the death taxes and income taxes generated by the sale of assets to pay for estate taxes. The cumulative effect of taxes paid can often consume nearly all of the assets which otherwise would be passed on to surviving spouses and other beneficiaries. This is particularly true when one realizes that most of the assets held by farmers are in their property, not in assets that can be easily converted to cash.

"I don't believe there is anyone in this room who could accurately state with any degree of confidence that carryover basis is currently administrable. It is difficult, if not frequently impossible, to prove the basis of many of the assets in an estate. No matter what changes Treasury suggests, carryover basis will increase the cost of administering estates. The suggestions made are so deficient that no amount of 'clean up' can solve the defects of carryover basis. Therefore, I am pleased to be here today and appreciate your support on this important issue."