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FOR IMMEDIATE RELEASE:
SATURDAY, SEPT. 22, 1979

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TAXFLATION WILL COST NEW YORK TAXPAYERS AN AVERAGE OF \$164.03 IN 1980, SAYS DOLE

LAKE PLACID, NY-- Taxflation-- a process which pushes taxpayers into higher tax brackets due to inflation-- will cost New York taxpayers more than \$1.3 billion in 1980, according to Senator Bob Dole (R.-Kansas).

Dole, who is ranking Republican member of the Senate Finance Committee and a member of the Joint Committee on Taxation, told reporters at a Lake Placid press conference today that he believes the federal income tax should be indexed.

"Indexing is a simple concept," said Dole. "As inflation increases, the tax system would be adjusted to prevent taxpayers from being pushed into higher tax brackets."

According to figures released by Senator Dole, and compiled by the Joint Committee on Taxation, the average New York taxpayer will pay out to the federal government an additional \$164.03 in 1980 due to inflation.

'Windfall Profit'

"I call this the federal government's windfall tax profit-- and it comes at the expense of the American taxpayer. There are those who say that no one profits from inflation-- but clearly this is not the case. The federal government profits quite handsomely," said Dole.

"Support for tax indexing is clearly growing. A recently released Roper Poll showed that 61 percent of all taxpayers favor tax indexing. Only 29 percent favor periodic tax cuts. I believe this tells us two things: The American public is responding to the logic and simplicity of tax indexing-- and they're tired of the phony tax cuts passed by Congress just prior to election time."

Dole also pointed out that the concept of tax indexing was endorsed in a September 14, 1979 New York Times editorial.

"I really believe the momentum is building," said Dole. "Six states, including Minnesota, Wisconsin, Iowa, Colorado, Arizona and California, have all passed variations of indexing at the state level. Canada and a number of European nations have passed this legislation, as has Australia. The time has come for the federal government to join in step."

Senator Dole and Congressman Willis Gradison (R.-Ohio) have introduced the "Tax Equalization Act of 1979", which contains the indexing provision.