

News from Senator

BOB DOLE



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DOLE GASOHOL AMENDMENT ACCEPTED BY FINANCE COMMITTEE ON VOICE VOTE

WASHINGTON-- An amendment offered by Senator Bob Dole (R.-Kansas) which would provide a 40-cent per gallon refundable income tax credit for the domestic production of alcohol used for motor vehicle fuel was unanimously accepted by the Senate Finance Committee today.

"This legislation will do much to foster the growth of the infant gasohol industry," said Dole, the ranking Republican on the Finance Committee and a long-time proponent of gasohol production.

"This approach, I believe, is superior to other incentive programs for the production of gasohol. It would replace the current excise tax exemption scheme, which had some problems. With the excise tax exemption, there was no incentive to increase the percentage of alcohol-to-gasoline mix beyond 90 percent gasoline and 10 percent alcohol. This tax credit will be applied to gallons of alcohol produced for motor fuel use, regardless of the eventual mix. Also, this plan would not endanger revenues for the highway trust fund-- an important consideration at a time when many states are facing major highway rebuilding programs. Finally, my amendment is specifically aimed at increasing domestic alcohol and gasohol production. There are those who would import fuel-grade ethanol from foreign nations, like Brazil. It seems to me that this defeats our efforts to become less dependent on other nations. I believe we must work to develop alternative fuel sources within this nation-- and if we can produce fuel from Kansas grain, Iowa corn, or New England wood pulp, we should support those efforts," said Dole.

Dole has pledged to support the amendment on the floor of the Senate.

"It makes sense to take this approach. I think this amendment will be a real boon to the gasohol industry-- and the American consumer," said Dole.