

News from Senator

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
FRIDAY, NOVEMBER 16, 1979

CONTACT: BILL KATS, BOB WAITE
(202) 224-8947, -8953

DOLE BILL WOULD EXEMPT INTEREST, DIVIDEND INCOME FROM TAXES

WASHINGTON -- Senator Bob Dole (R-Kan.), ranking Republican on the Senate Finance Committee, has introduced an amendment to the windfall profits tax bill to exclude from taxes interest and dividend income received by individuals. It provides additional exclusions if this income is re-invested in time or demand deposits or in domestic stock.

The bill was introduced yesterday, and corresponds to a similar proposal which is part of the Republican economic package agreed to by all 41 Senate Republicans earlier this year (the savings and dividend sections of S. 1597). Dole was joined on this bill by cosponsors Senators Baker, Danforth and Javits.

Specifically, the bill calls for an exclusion from gross income of the first \$100 in eligible interest received by an individual. Additionally, up to \$400 each is available for certain re-investments of the interest or dividend income. The first \$100 in dividends is already exempt under current law.

"Our proposal is an important step in encouraging individuals to save and re-invest in America," Dole said. "With interest rates continuing to rise, people are seeking other investment outlets. My Republican colleagues and I hope to re-direct that tide, and we feel that this positive proposal is a responsible way to do it."

Interest eligible for exclusion under the bill would be income received on a time or demand deposit with a commercial or mutual savings bank, a savings and loan association, building and loan association or similar institution, or a credit union. Re-investment in one of these federally insured institutions falls under the exemption, provided the interest is re-invested promptly.

Excluded from taxes are dividend distributions from domestic corporations which are re-invested in common or preferred domestic stock or in time or demand deposits in a qualifying financial institution. The exclusion for re-investment would be limited to \$400 and would be in addition to the current \$100 exclusion.