

News from Senator

BOB DOLE



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DOLE INTRODUCES REAGAN TAX PACKAGE

WASHINGTON -- Finance Committee Chairman Senator Bob Dole (R-Kan.), who introduced the Reagan tax package into the Senate today, predicted that "the underlying philosophy of the Administration proposal will win strong support in the Finance Committee."

"It is my hope that introduction of this legislation will focus the attention of the Senate on the need for broad tax reductions to initiate economic recovery for our nation and the strong desire of the American people for us to address this issue immediately," he said.

"With this legislation, President Reagan has followed through on his pledge to the American people that he would propose tax cut legislation to lower tax rates for all individuals and provide a major investment incentive for business to modernize plant and equipment.

"But," Dole said, "it would be unrealistic to assume that the Finance Committee will report the Administration proposal without careful review and, where necessary, modification of many specific provisions.

"For instance, we will want to assure that the accelerated cost recovery provisions, in fact, accomplish their intended purpose of stimulating investment. The proposal will have to be carefully studied to make certain that no one sector of the economy, such as livestock breeders or farmers, are disadvantaged, rather than helped, by these new rules.

"Similarly, we will review the proposal to determine if there are loopholes which will encourage tax shelter schemes, rather than productive investment.

"There seemed to be broad consensus on the Senate Finance Committee about the need for a substantial tax cut last year. The committee, under the leadership of Senator Long, fashioned a bipartisan tax cut bill that included significant individual rate cuts and an overhaul of the business depreciation system. And it is fitting that the Finance Committee bill paved the way for consideration of the Administration's tax package in 1981."

Dole stressed the importance of combining the tax cuts with significant budget cuts, in order to reduce the possibility of spurring inflation.

"Substantial federal spending cuts and continued fiscal responsibility are absolutely necessary parts of the President's economic recovery program," he said. "For that reason, I have expressed some reservations about making a full three-year commitment to individual tax reductions. My reservations have been based upon a concern that, if we enacted a tax cut before spending cuts were acted upon, there would be little assurance that the spending limitations would ever be enacted.

"The President, however, has made clear that his economic program must be considered as a whole. If we can accomplish what must be done in the spending area, we should give serious consideration to a multi-year tax reduction for individuals."

Of the Administration's capital cost recovery system to encourage business investment, Dole said the President's plan "would provide an easy to understand and economically more advantageous method for a business to recover the cost of its investments."

And on the plan as a whole: "We have a real opportunity to improve the lives of our people by restructuring the tax laws, as well as limiting federal spending. We have a responsibility to review the President's economic recovery program carefully. I am convinced, however, that the basic thrust of this program is sound and the program is urgently needed. We must act as quickly as possible."