

## News from Senator

# BOB DOLE



(R - Kansas) 2213 Dirksen Building, Washington, D.C. 20510

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CONTACT: BILL KATS  
(202) 224-6521

### ADMINISTRATION PLAN REPRESENTS MAJOR TAX BREAKTHROUGH, DOLE SAYS

WASHINGTON -- Following is the opening statement by Finance Committee Chairman Senator Bob Dole (R-Kan.) at today's committee session. The committee today undertakes a technical review of the Administration's tax cut proposal.

"Today, the committee begins consideration of tax cut legislation with a technical explanation of the Administration's compromise tax cut proposal. Much has been written over the past several weeks concerning the effort by the Administration and Republicans and Democrats in the House and Senate to reach a bipartisan agreement on a bill. Typically, such discussions and meaningful attempts to consider the views of a maximum number of members do not occur until much later in the legislative process. It is refreshing, and I believe praiseworthy, that the Administration has been willing to move toward compromise at this time. I believe the package that Mr. Chapoton will outline stays true to the basic principles that the President has consistently stressed, while synthesizing some of the best tax proposals advanced by members of Congress in both parties.

"Despite news reports, I hope the Democrats on the House Ways and Means Committee will not abandon across-the-board tax rate reductions for individuals. The President has fashioned a tax proposal which will reduce the tax burden for all taxpayers. The impact of inflation and 'bracket creep' is not limited to any one segment of our population. All Americans deserve a fair share of any tax cut.

#### Major Tax Breakthrough

"The modified Reagan Administration proposal would represent a major breakthrough in tax policy. It is multi-year; it is across-the-board for individuals; and it encourages new business investment, additional savings, and greater work effort. These are the goals for tax policy that the Administration has endorsed. They are also goals on which most members of Congress can agree.

"Generally, the revised proposal reduces individual tax rates by 5 percent this year rather than 10; provides a somewhat simpler and more uniform system of accelerated depreciation; and provides for significant estate tax relief, expanded incentives for retirement savings, relief from the marriage penalty, and other changes that have been endorsed by many members of this committee, including more equitable treatment of small royalty owners under the so-called Windfall Profits Tax. Because most of these additional changes are phased-in over a period of years, the net revenue loss is lower than under the original Administration proposal. This net reduction in the size of the tax cut by about \$40 billion between now and fiscal year 1984 will also be welcomed by many members, and perhaps we can do even better with this figure in the weeks ahead.

#### Future Rounds of Tax Cutting

"I know that some members would like to see additional changes, but I believe we can reach ready agreement on the provisions included in this new package. I know that the Administration is prepared to discuss further tax proposals that can be included in future rounds of tax cutting. Many other changes are needed, but there will be other opportunities to address them. Frankly, it's a bit early to decorate the Christmas tree.

"Finally, it is important to note that the President's economic plan includes both spending and tax cut proposals and that both are as urgently needed today as when the economic recovery package was announced four months ago. The Congress is in danger of falling substantially behind the timetable agreed to by the leadership of both Houses. Certainly, if we do not soon begin speedy consideration of the tax cut, timely completion of action on the economic package will be impossible."