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WAYS AND MEANS TALKS ABOUT THE POOR WHILE IT PROVIDES  
\$425 MILLION WINDFALL FOR THE RICH, DOLE SAYS

WASHINGTON -- Senate Finance Committee Chairman Senator Bob Dole (R-Kan.) said today that a vote Friday by the House Ways and Means Committee would effectively continue to allow commodities futures traders to pay minimal federal income taxes. "Democrats proudly boast of targeting their tax cuts to low- and middle-income taxpayers, while pumping up the wealthy," said Dole.

"The vote by the Democratically-controlled Ways and Means Committee will cost the U.S. Treasury \$425 million in the first year, and most of this revenue loss will benefit the commodities industry," Dole said. "It will provide a first-year tax break of \$200,000 or more for each of several hundred commodity futures traders.

"The Senate Finance Committee is aware of one instance in which a commodity trader had approximately \$530,000 in long-term capital gains income in 1978 and paid no federal income taxes. The next year this same trader had \$2.3 million in long-term gains and again did not pay one dollar in federal income taxes. Under the bill being written in the Democratically-controlled Ways and Means Committee, such traders would continue to pay virtually no taxes," said Dole.

"Rather than being a bill for the middle-class, the Democratic alternative being put together in the Ways and Means Committee preserves for the rich the nation's biggest-known tax loophole. By contrast, the Finance Committee bill, in an effort to close this loophole and to restore the confidence of Americans in their tax system, prevents the use of commodity tax shelters by all taxpayers.

"This boon for wealthy special interests is all the more deplorable at a time when we are forced to cut federal programs for low-income Americans."

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