

was corrected

News from Senator

BOB DOLE



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DOLE WINDFALL RELIEF FOR NEW OIL PASSED BY SENATE

WASHINGTON -- The Senate tonight agreed to an amendment by Senator Bob Dole (R-Kan.) to the 1981 tax bill that would provide more than \$250 million in relief from the windfall profit tax over the next five years for producers of new oil. The amendment was passed by a voice vote.

Under current law, newly discovered oil is subject to a 30 percent rate of tax under the windfall profit tax. The Dole amendment would reduce that tax rate on newly discovered oil, on a gradual scale, to 15 percent in 1986.

Under the Dole amendment, the tax would be phased-down to 27½ percent in 1982, 25 percent in 1983, 22½ percent in 1984, 20 percent in 1985 and 15 percent in 1986.

"I am gratified that the Senate has recognized, by adopting this amendment, that the small and independent oil producers in this country have been dealt a hardship by the windfall profit tax," Dole said.

"This amendment will serve several purposes. Not only will it help reduce the tax on those American producers who have been burdened by the windfall tax since 1978. But it will also provide more incentive for those same producers to go out and discover new sources of oil.

"Kansans know the difficulties inherent in the search for energy. We have more than our share of dry holes in the state. The average well in Kansas generates only 3.3 barrels a day. The problems American producers face need not be compounded by a regressive windfall profit tax -- which, it is estimated, will reach upwards of \$235 billion by 1990.

"My amendment was designed to provide the incentive that producers in Kansas and across the country need to help us edge towards a more independent energy posture."