

News from Senator

# BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

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CONTACT: WALT RIKER  
(202) 224-6521

## DOLE MEETS WITH BLOCK TO RESOLVE PIK TAX

WASHINGTON -- Senator Robert Dole (R-Kan.) said today that protecting farmers from taxes before sale of commodities received under the Administration's Payment-in-Kind (PIK) crop program is a "top priority."

Dole's assurance came after a meeting with Agriculture Secretary John Block at which details of the PIK program were discussed.

"As Chairman of the Finance Committee and senior member of the Agriculture Committee, I can tell potential PIK participants and those who have already signed-up for the program, that legislation to change the tax status of PIK commodities is a top priority consideration," Dole said. "Every effort will be made to push this change through Congress before the March 11th deadline for sign-up. Farmers can be assured that we will move quickly to see that farmers will not be penalized by having to pay taxes on PIK commodities until they are sold."

Secretary Block and Dole both agreed that despite a recent ruling by the Internal Revenue Service, PIK payments should not be taxable as income in the year in which they are eligible to be received.

"It just seems to me that taking PIK payments before the date of sale would be tantamount to taxing grain at harvest time. Clearly, the farmer should not have to bear this unfair tax burden," Dole said.

Other questions discussed by Secretary Block and the Senator included the tax status of agricultural cooperatives which market their members' production and the application of certain tax provisions covering inheritance of farmland. These issues will be addressed during meetings with Administration officials on Thursday, with any refinements to be added to a bill introduced last week by Senator Dole and Senator Jepsen (R-Iowa).