

News from Senator

# BOB DOLE



(R - Kansas)

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## DOLE SAYS WITHHOLDING COMPROMISE FAR BETTER THAN REPEAL

WASHINGTON -- Kansas Senator Bob Dole said he was pleased today that the Senate decided to endorse a compromise on collection of taxes due on interest and dividend income instead of repealing outright President Reagan's 10% withholding compliance provision.

"Picking up about \$8 billion from the compromise plan is far better than the zero return we would have had from repeal," Dole said.

Dole, Chairman of the Senate Finance Committee, made the comments following a 91-5 vote in the Senate for a withholding compromise crafted by the Senator. Although he is still a strong supporter of withholding at the source as the most efficient method of collecting taxes owed the government, Dole said there were not enough votes in the Senate to pass the tax compliance measure.

Dole pointed out that a move to repeal withholding was tabled in the Senate by a 55-40 vote on Thursday.

"I have been advised by the tax compliance experts that while our withholding alternative can help, it will never be as effective or efficient as withholding. But I am a realist, and I support getting some improvement in tax compliance rather than none at all," Dole said. "I can understand the reduced revenue estimates from this alternative compared to withholding. But I can also count votes, and believe I know when to compromise for the public interest. We didn't have the votes to improve tax compliance by \$13.4 billion, but we did have the votes to improve compliance by \$8 billion. That is politics, and I can understand it. I don't like it or agree with it, but I can accept it."

"It's a different story to say we should vote against doing anything to improve tax compliance. I don't believe there is a single Senator who does not think we should improve tax compliance. But I am concerned that a vote to repeal withholding and put nothing in its place would be perceived, inaccurately, as a vote to tolerate tax fraud and noncompliance."

"The compromise we have reached is not a substitute for withholding. It loses less revenue, it produces a fairer tax system, and it sends a healthier message to the American taxpayer. In short, it is better tax policy. Not the best, perhaps, but better."

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**CURRENT REVENUE ESTIMATE**

**\$ Billions--FY 1983-1988**

**1982 Changes**

Withholding	13.4
Information Reporting	4.4
<b>Total</b>	<b>17.7</b>

**Dole Compromise**

Withholding	8.2
Information Reporting	4.4
<b>Total</b>	<b>12.6</b>

**Comparison**

Dole as Percentage of Current Law (total) 70.6

Dole as Percentage of Current Law (withholding only) 61.2

Dole, Chairman of the Senate Finance Committee, made the comments following a 91-5 vote in the Senate for a withholding compromise drafted by the Senator. Although he is still a strong supporter of withholding as the source of the most efficient method of collecting taxes owed the government, Dole said there were not enough votes in the Senate to pass the tax compliance measure.

Dole pointed out that a move to repeal withholding was tabled in the Senate by a 52-40 vote on Thursday.

"I have been advised by the tax compliance experts that while our withholding alternative can help, it will never be as effective or efficient as withholding. But I am a realist, and I support getting some improvement in tax compliance rather than none at all," Dole said. "I can understand the reduced revenue estimates from this alternative compared to withholding. But I can also count votes, and believe I know when to compromise for the public interest. We didn't have the votes to improve tax compliance by \$13.4 billion, but we did have the votes to improve compliance by \$8 billion. That is politics, and I can understand it. I don't like it or agree with it, but I can accept it."

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