

## News from Senator

# BOB DOLE



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### DOLE HELPS SECURE PAPERWORK RELIEF FROM IRS; FARMERS' TAXKEEPING RECORD BURDEN ALLEVIATED

WASHINGTON -- Following a meeting with Roscoe Egger, Commissioner, Internal Revenue Service, and Ron Pearlman, Assistant Secretary of the Treasury, Kansas Senator Bob Dole announced that controversial taxkeeping paperwork requirements for farmers have been favorably modified. The meeting took place in Dole's Senate Majority Leader office.

Dole, in making the announcement, said farmers will now have two options by which they can preserve their deductions and tax credits. The Kansas Republican and other members of the Kansas Congressional delegation had been pressing the Administration to make changes in the regulations in question.

"I am pleased the IRS and Department of Treasury have responded to the legitimate concerns of our constituents," Dole said. "We have worked long and hard to see that current burdensome recordkeeping requirements are modified in favor of our farmers and small businessmen. We believe these new guidelines are a significant improvement."

#### Farm Use Vehicles: Pick-up Trucks and Vans

Option #1: Farmers only, can decide to keep no records. If this option is taken, 80% of the use of the farm vehicle is treated as business use and the remaining 20% as personal use.

Option #2: If a farmer wishes to take a deduction greater than 80%, he can substantiate that claim by logging personal use of the farm vehicle, not business use.

Note: Under existing law, special farm use vehicles such as tractors, combines and heavy-duty trucks are exempt from recordkeeping requirements.

Definition of Farmer: For purposes of these new regulations only, the IRS will define a farmer as a person who derives 70% of his gross income from farming. This total does not include passive income such as dividend income, nor does it include a spouse's income.

#### Small Businessman Recordkeeping Modifications

If farmers, small businessmen and independent salesmen -- for example -- use station wagons or automobiles for business purposes, they can decide to maintain no records. In this case, 70% of the use of the vehicle must be reported as business use and the remaining 30% as personal use.

#### 100% Business Use

Where a vehicle is used for 100% business purposes, there is no recordkeeping requirement. If the only personal use is commuting where the employer requires the employee to be on call, then there will be no recordkeeping requirement although the value of the commute will be imputed to the employee as income.