

News from Senator

BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
THURSDAY, MAY 2, 1985

CONTACT: WALT RIKER
(202) 224-3135

DOLE SECURES AIRCRAFT FRINGE BENEFIT CHANGES

WASHINGTON--Senate Majority Leader Bob Dole (R.-Kan.) today announced that the Treasury Department will issue revised regulations to relieve the aircraft "empty seat" fringe benefit problem and to provide more reasonable values for personal flights on company aircraft.

"On April 2nd, I was successful in including, as part of the auto log legislation, language to reduce the amount that must be included in income when an employee flies on a company plane," Dole said. "This change was necessary because the Treasury Department had issued regulations saying that a flight on a company plane could be taxed as if it were worth 3 times first class on a commercial airliner, or in some cases, the cost of chartering a plane. The regulations didn't even distinguish between the most luxurious jet and a single-engined, two seat plane that travels at 100 miles an hour.

"Since then I have had a series of discussions with Assistant Treasury Secretary Ron Pearlman who has finally agreed that the values in the regulations were too high and that there need to be differences in the amount that should be included in income depending on the size of the plane. The changes to the regulations accurately reflect Congressional intent. They provide that employees and their families who hitchhike on a business flight will be able to do so for free. On the other hand, employees who are likely to be able to control the use of a company plane will have to include a fair amount in income if at least half of the passenger seats are not filled by employees flying for business purposes."

..... more