

News from Senator

BOB DOLE



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DOLE HAILS REAGAN TAX REFORM PLAN

WASHINGTON -- Senate Majority Leader Bob Dole (R-KS) hailed the President's tax reform plan as "a courageous and historic initiative" that would vastly improve the Federal income tax system and predicted that the changes made to the original Treasury package will speed the plan's passage through the Congress.

"Taxpayers have become increasingly dissatisfied with our overly complex income tax system. As Chairman of the Senate Finance Committee, I identified scores of tax abuses and unjustified loopholes and moved to close quite a few of them. But much, much more must be done to restore our people's belief in the fairness of the Internal Revenue Code," Dole said. "This plan is a huge advance in the direction of greater fairness for all taxpayers and greater economic efficiency -- it's a courageous and historic initiative."

The original Treasury plan published last November proposed an individual income tax with just three brackets -- 15%, 25%, and 35% -- and a top corporate rate of 33%. At the same time, the plan eliminated a wide array of special tax breaks for both businesses and individuals. The revised Reagan plan follows this basic structure, but includes more incentives for investment and capital formation than the November version.

"Obviously we will give the President's plan a very close look," Senator Dole continued. "I think it is appropriate to give extra encouragement to new investment, and I am particularly pleased that President Reagan retains the tax indexing protection I authored in 1981. But we may find some other areas where the President's proposal is too generous, or where we could strike a better balance. I look forward to working with the Administration to shape a consensus tax reform package."