

News from Senator

BOB DOLE



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FOR IMMEDIATE RELEASE
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IRS ACTS ON DOLE'S GASOHOL INITIATIVE:
UNFAIR TAX AND RED TAPE CUT

WASHINGTON -- THE INTERNAL REVENUE SERVICE TODAY AGREED WITH SENATE REPUBLICAN LEADER BOB DOLE (R-KS) AND ANNOUNCED NEW GUIDELINES THAT WILL END RED TAPE AND TAX HEADACHES FOR THE GASOHOL INDUSTRY.

"I WELCOME COMMISSIONER GIBB'S DECISION. THIS ACTION WILL PREVENT THE SEVERE DISRUPTION OF THE GASOHOL MARKET ON THE FIRST OF THE YEAR WHEN SOME VERY UNFAIR REGULATIONS WERE SCHEDULED TO GO INTO EFFECT," DOLE SAID.

GASOHOL BLENDEES WERE CONCERNED THAT THE MARKETPLACE WOULD HAVE BEEN THROWN INTO CHAOS IF THEY WERE FORCED BY LAW TO OVERPAY AT THE TERMINAL AND THEN TO FILE APPLICATIONS TO GET THEIR MONEY BACK. THIS WOULD HAVE FORCED THE FILING OF MORE THAN 1 MILLION REFUND FORMS THIS YEAR ALONE. WITHOUT TODAY'S RULING, BLENDEES WERE FACING A 9-CENT EXCISE TAX AT THE TERMINAL -- AN UNFAIR OVERCHARGE FOR GASOHOL -- IN ADDITION TO RED TAPE HEADACHES WHEN BLENDEES SOUGHT TO GET THEIR REFUNDS.

"THAT'S WHY I WROTE THE IRS COMMISSIONER ON DECEMBER 3, 1987 URGING HIM TO DO SOMETHING ABOUT THESE UNACCEPTABLE REGULATIONS," DOLE CONTINUED. "TODAY'S ANNOUNCEMENT ESTABLISHES A TEMPORARY 3 MONTH PROCEDURE SO THAT GASOHOL BLENDEES CAN PAY THE PROPER 3 1/3 CENT TAX AT THE TERMINAL, THUS AVOIDING OVERPAYMENTS AND REFUND HASSLES.

"I INTEND TO CONTINUE TO WORK WITH THE IRS TO DEVELOP A FAIR AND EQUITABLE PERMANENT SOLUTION TO THIS TAX PROBLEM," DOLE SAID.

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