

News from Senator

BOB DOLE



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DOLE HELPS WIN DELAY OF IRS NIGHTMARE FOR SMALL BUSINESS;
"LOONY" SECTION 89 TAX LAW DELAYED BY TREASURY SECRETARY

WASHINGTON -- SENATE REPUBLICAN LEADER BOB DOLE (R-KS) TODAY APPLAUDED A TREASURY DEPARTMENT ANNOUNCEMENT THAT IT WOULD DELAY AT LEAST UNTIL OCTOBER THE "LOONY" COMPLIANCE DEMANDS OF THE INTERNAL REVENUE SERVICE'S CONTROVERSIAL "SECTION 89" TAX LAW.

"THE MAIL CONGRESS HAS RECEIVED ON THIS ONE MAY NOT EQUAL THE PAY RAISE ISSUE, BUT IT'S CLOSE," DOLE SAID. "IF YOU ARE A SMALL BUSINESS MAN OR WOMAN, YOU HAVE HAD IT UP TO YOUR BALANCE SHEET WITH THIS LOONY IRS COMPLIANCE LAW. WE'VE BEEN SENDING THAT MESSAGE TO THE ADMINISTRATION, SO I AM PLEASED TO HEAR TODAY THAT WE ARE GETTING SOME ACTION."

THE SECRETARY OF THE TREASURY, NICHOLAS BRADY, INFORMED SENATOR DOLE TODAY THAT THE SECTION 89 TESTING REQUIREMENTS WOULD BE DELAYED UNTIL AT LEAST OCTOBER 1, 1989. DURING THAT TIME, THE SECRETARY ALSO SAID HE WILL WORK CLOSELY WITH CONGRESS TO DEVELOP A SATISFACTORY FIX FOR THE UNPOPULAR COMPLIANCE MEASURE.

ORIGINALLY CRAFTED TO MAKE CERTAIN THAT EMPLOYEE BENEFIT PLANS WERE EQUITABLE AND NON-DISCRIMINATORY, SECTION 89 HAS ACTUALLY COST EMPLOYERS MORE THAN TWICE WHAT IT SUPPOSEDLY WILL BRING INTO THE TREASURY.

"SECTION 89 HAD WORTHY GOALS, SUCH AS PREVENTING BUSINESS OWNERS AND EXECUTIVES FROM USING THE TAX CODE TO SUBSIDIZE LAVISH BENEFIT PLANS. BUT UNFORTUNATELY TAX REFORM HAS TURNED INTO A TAX REVOLT FOR SMALL BUSINESSES ALL ACROSS AMERICA."