

Bob Dole



NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
TUESDAY, JULY 20, 1993

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TAX RELIEF FOR FLOOD VICTIMS: WAIVE CLINTON TAX INCREASES

WASHINGTON -- As hundreds of thousands of Americans continue to struggle with one of history's most devastating floods, Senate Republicans today called on Congress to enact an emergency waiver for flood victims in the Midwest from President Clinton's record-setting tax increases.

Included in the emergency waiver would be the President's proposed energy tax, along with his tax increases on individuals and river barges.

In a letter to the Senate Finance Committee Chairman, Senator Pat Moynihan (D-NY), Senate Republican Leader Bob Dole, along with seven of his colleagues from flood-ravaged states, urged the committee to adopt a six-point relief plan designed to protect flood victims from new and higher taxes, and to help small businesses get back on their feet.

The text of the letter follows:

July 20, 1993

The Honorable Daniel Patrick Moynihan
Chairman
Committee on Finance
Senate Russell Building 464
Washington, D.C. 20510

Dear Pat:

We are writing to you in the hope that we may be able to provide some relief to the people affected by the disastrous floods in the Midwest.

Day by day, the Nation has watched the Mississippi, the Missouri and other rivers creep to dangerously record high levels. Families, businesses, and local governments in ten states have suffered tremendous losses. The impact of the recent flooding has been felt in Iowa, Missouri, Wisconsin, Illinois, Minnesota, South Dakota, Nebraska, Kansas, North Dakota and Kentucky.

The Federal Emergency Management Agency reported that it has received over 13,000 registrations for disaster assistance. The American Red Cross reports that more than 22,300 homes have been flooded.

The U.S. Department of Transportation has reported that the transportation disruption exceeds anything previously experienced. Over 1,100 miles of the Mississippi and Missouri Rivers are closed to traffic. Rail, truck and barge traffic are all suffering delays and interruptions. Incoming cargo is backing up and outgoing cargo is missing shipment to destinations as far as west coast ports.

There is no doubt that the economy generally will suffer as a result of this disaster. The President has been cautious in his request for \$2.5 billion in emergency assistance. We think everyone will agree that once the waters recede more will be needed.

(MORE)

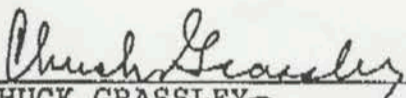
We continue to believe that the proposed tax legislation, as currently drafted, is wrong for America. It will not create jobs and already has stopped many businesses, especially small businesses, from hiring, expanding and growing. We rely on small businesses to create jobs and grow the economy. Yet, many of the provisions included in the pending legislation will hurt small business the most. Tax increases will not help bolster a fragile economy and worse, could add to the costs incurred by the victims of the Midwestern and Mississippi River floods.


At a minimum, we should consider the following:

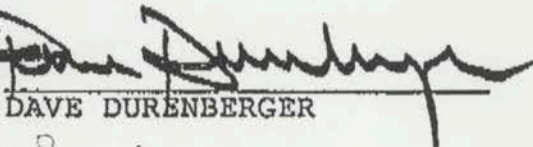
- modifications to the casualty loss provisions such as removing the \$100 minimum casualty loss or the 10% adjusted gross income threshold for disastrous personal casualty losses;
- waiving or abating interest on any tax for which an extension has been granted or late penalty abated in accordance with IRS' Federal Disaster Relief Guidelines;
- waiving the proposed tax increases -- especially the individual tax rate increase, the energy tax and barge tax -- if these are ultimately included in the compromise package;
- providing a targeted disaster tax credit aimed at assisting the affected small businesses to rebuild;
- providing an exemption to the state bonds caps for the reconstruction of damaged or destroyed facilities in disaster areas;
- extending all deadlines for complying with the low income housing credit in affected flood areas.

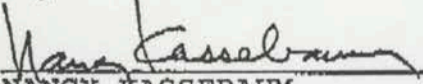
These suggestions are only a start. We need new tax recommendations that will help the flood disaster victims face the long and uphill road in mending their lives. As with all hardworking Americans, disaster victims need our support, they don't need new tax increases.

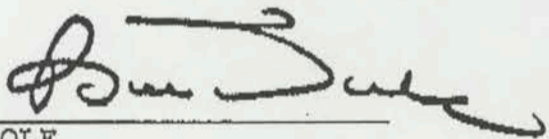
Sincerely,



CHUCK GRASSLEY

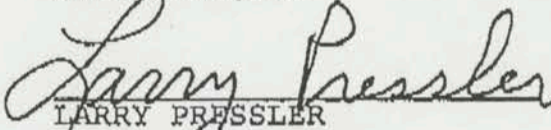

KIT BOND

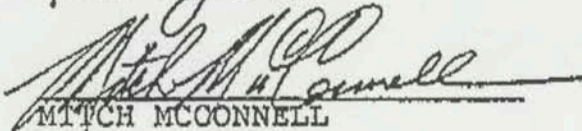

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