

THE WHITE HOUSE

WASHINGTON

February 24, 1983

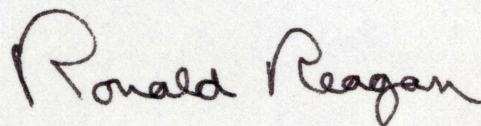
Dear Bob:

Thank you for your recent letter regarding the provision in the Tax Equity and Fiscal Responsibility Act to withhold on interest and dividend income. I am deeply disappointed that some have chosen to mislead the public on this issue, and to create the impression that some individuals would be unfairly treated by this new provision.

As you know, equity for all American taxpayers was of prime concern to us in developing this legislation, and the provision itself was crafted carefully to provide generous exemptions for nearly all senior citizens, lower-income individuals, and small savings accounts. In addition, the Treasury Department is making considerable effort to minimize the impact on financial institutions.

As you noted in your letter to me, without this provision, additional revenues would have to be raised just to maintain revenues at their currently projected levels. Rather than raising taxes on the already overburdened taxpayer, I believe we must collect the taxes which are owed, but not being paid. I would vigorously oppose enactment of any legislation to repeal the withholding provision. I assure you that I am determined to protect the withholding provision and hope you will convey that message to your colleagues.

Sincerely,

A handwritten signature in dark ink, reading "Ronald Reagan". The signature is written in a cursive, flowing style with a large, prominent "R" at the beginning.

The Honorable Robert Dole
United States Senate
Washington, D.C. 20510