



League of Women Voters of Minnesota Records

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LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

April 3, 1986

The Honorable Rudy Boschwitz
United States Senate
SH506 Hart Office Building
Washington, D.C. 20510

Dear Senator Boschwitz:

The League of Women Voters of Minnesota supports reform efforts to establish a broad-based income tax with minimal preferences and a progressive rate structure. We strongly believe that tax reform should not result in loss of revenue to the federal government. The League opposes all efforts to introduce a new regressive tax on consumers such as an energy tax or a national sales tax (value-added tax).

We supported passage of the Tax Reform Act of 1985, HR 3838, for it represents the best opportunity in years for serious tax reform.

Senator Boschwitz, we want a tax system that eliminates complex tax breaks - tax breaks that give unfair advantage to upper income businesses and individuals.

Specifically, the League of Women Voters supports a bill that:

- .makes corporations pay their fair share of the tax burden;
- .repeals the Accelerated Cost Recovery system (ACRS) and the Investment Tax Credit (ITC);
- .secures at least a 38% top rate so that high-income individuals do not receive larger tax cuts than middle-income taxpayers;
- .keeps the very poor off the tax rolls;
- .taxes capital gains as ordinary income;
- .does not result in loss of revenue;
- .does not include a new tax on consumption.

Thank you for your consideration of our views.

Sincerely,

Joan Higinbotham
Joan Higinbotham
President

Nancy Crippen
Nancy Crippen
Government Chair

H:C/rk



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

April 3, 1986

The Honorable David Durenberger
United States Senate
375 Russell Office Building
Washington, D.C. 20510

Dear Senator Durenberger:

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- .taxes capital gains as ordinary income;
- .does not result in loss of revenue;
- .does not include a new tax on consumption.

Senator, as a member of the Senate Finance Committee you are in a position to assure passage of real tax reform. We thank you for your efforts.

Sincerely,

Joan Higinbotham
President

Nancy Crippen
Government Chair

H:C/rk

MARTIN OLAV SABO
5TH DISTRICT, MINNESOTA

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES:

HOUSING AND URBAN DEVELOPMENT
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Congress of the United States
House of Representatives

Washington, D.C. 20515

January 3, 1986

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JAN 17 1986

Ms. Nancy Crippler
Minnesota League of Women Voters
555 Wabasha
St. Paul, Minnesota 55102

Dear Ms. Crippler:

Thank you for your message in support of the Tax Reform bill. On December 17, the House of Representatives, with my support, passed this important legislation.

While it is not perfect, the package does achieve many of the goals we sought. It lowers individual and corporate tax rates, provides a tougher minimum tax, places limits on excessive tax shelters, and does not add to the federal budget deficit. It reduces the number of tax brackets from 14 -- ranging from 11-50 percent, to four -- ranging from 15-38 percent. Individual taxpayers in every bracket would get a tax cut. The progressivity of the system would be retained as middle-income taxpayers would benefit more than the wealthy and it ends taxation for most of the working poor.

In order to reduce individual rates, the measure shifts some of the tax burden from individuals to corporations, moving the share businesses pay closer to the level they paid prior to 1981. It makes major reforms in such areas as depreciation, capital gains, and minimum taxes, and it curbs some abuses of business entertainment expenses. It also cracks down on the generous tax breaks enjoyed by the oil and gas industry.

The measure preserves most of the basic deductions and exclusions that are widely used by average taxpayers. It retains the full deductibility for state and local taxes, which the President sought to repeal. It also retains the deduction for interest on home mortgages, the child-care credit and the tax-free status of fringe benefits.

A major strength of the legislation is that it will not add to the massive federal budget deficits -- it will bring in as much money as the current tax system. I would have preferred a tax bill that used the revenues gained from closing loopholes and abuses to reduce the deficit, but that is not possible given the President's adamant opposition. At least this bill will not make the deficit problem worse. The bill is now before the Senate which will act sometime next year. I hope that the final product will be meaningful tax reform.

Sincerely,

Martin O. Sabo
Member of Congress

MOS/jb