[March 1975?]

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

SUBJECT: TAX CUT BILL

A summary of the tax cut bill enacted yesterday is attached. It would reduce 1975 tax liabilities by approximately $23 billion, which is about $6 1/2 billion more than you requested.

Undesirable Items

The bill contains several items which are especially undesirable:

(1) Changes of a permanent nature in individual liabilities.

The bill increases the standard deduction and provides a new $30 per taxpayer credit in addition to the personal exemption. Together those items lose about $8 billion of revenues. Technically they have been written to apply only to 1975. While the necessity for reenactment may possibly provide an occasion to raise revenues or cut expenditures, past experience does not provide much hope in that connection. In the business area, there are an additional $4.8 billion of changes, also of a permanent nature, part of which are effective for one year and part for two years.

(2) Social security distribution.

A $50 distribution will be made to each person on the social security rolls, for a total revenue loss of $1.7 billion. This is a bad precedent in so far as general revenues are used to make payments to social security recipients. The relief provided will be duplicated later on when the cost of living increase goes into effect. While this does not seem likely to become a permanent program, we can expect strong pressures for such payments in the future whenever tax reductions are enacted.

(3) Earned income credit.

This is a new and undesirable welfare type program, which tends to undercut the insurance concept of social security. Since both the House and Senate bills contained an earned income provision (with differences of detail), we are unlikely to get rid of it unless something worse is put in its place. A redeeming aspect of the earned income credit is that it makes other, worse approaches somewhat less likely.

Payroll taxes are virtually certain to become a major political issue in the next two years. There has been much debate on whether they are too high and too regressive, and the debate is part of the larger issue of whether we can really afford the kind of social security system we have. Something along the lines of the earned income credit may be the best defense to a much more radical change, such as the other proposed funding of a part of social security from the general revenues. It reduces the impact of the payroll taxes, but confines the reduction to a relatively small amount and a relatively small group of persons. At the same time, it operates indirectly through the income tax system, and permits us to keep intact the principle that social security is an insurance scheme under which people get what they pay for.

(4) Housing credit.

This credit is self liquidating because it is confined to new housing built or in progress on March 26. It is a waste of money and will probably serve largely to permit builders to move existing houses without cutting prices. However, in its present form there is a good chance it will disappear completely, although Congress often becomes enamored of such provisions once adopted.

Permanence of the Tax Provisions

As noted, the changes in the standard deduction, the $30 credit, the earned income credit and the business changes are very likely to become permanent. They add up to about $15 billion.

The quasi-permanent nature of these changes has disturbing implications as we consider (1) how to turn off the stimulus later on and (2) how to prevent large inflation-inducing deficits in later years. The latter question is solved only if lesser revenues cause expenditures to be held down. Even if that should be the case, however, there would likely be a lag of several years before the reduction effect on the deficit is fully accomplished. Thus it seems inevitable that in the next couple of years we will have extraordinary large deficits and probably excessive stimulus a little later.

Your original proposals called for a one shot stimulus, and, to that extent, did not need to be "turned off." In order to turn off the stimulus from these "permanent provisions," however, Congress will have to refrain from reenacting them for 1976. Since the economy will undoubtedly still be operating below par when that issue arises later this year, and since we will be even closer to November 1976, the prospects do not seem auspicious.

While this aspect is possibly the most compelling ground for vetoing the bill, it would be difficult to complain to the public about "permanent" changes when Congress expressly made the provisions applicable for only one year (except in the case of the investment credit, which is for two years).

Chances of a Better Bill

It is not clear that we could expect a substantially better bill even if a veto were sustained. It seems unlikely that Congress would give up the "permanent" changes for individuals. The social security provisions and the earned income credit are attractive to more voters than the business provisions, and there would be considerable pressure to do any cutting in the investment credit area. We might get rid of the housing credit. At best we are likely to get a bill $2 or $3 billion less than the current bill. In the face of projected deficits in the neighborhood of $100 billion, it will be hard to convince Congress and the electorate that it is worth holding up a needed stimulus for that small difference.

Grounds for a Veto

(1) Total Revenue Loss. This is probably the only issue that the man in the street would understand. However, we are in the position of having proposed $16 1/2 billion of it ourselves.

(2) Undesirable Provisions. The reasons for our objections to specific undesirable items are more sophisticated than the ordinary voter will comprehend, but, in combination, would perhaps be saleable.

(3) Permanent Aspects. This is possibly the most important ground for a veto, but it is hard to make it convincing when the provisions are technically effective only for 1975.

(4) A Major Obstacle to Real Tax and Welfare Reform. Difficult to explain but a sound substantive reason for veto.

(5) Eliminates 6 million from the Tax Rolls. Our own proposals in the energy package would eliminate a substantial number of these taxpayers.

(6) Eliminates Oil Depletion Except for Independent Producers. It thus reduces capital available for energy program. Elimination with independent produces exemption substantially complicates law.

Grounds for Signing

(1) Fastest way to achieve fiscal stimulus.

(2) Provides opportunity to draw the line on any new spending programs.

(3) Some of the most objectionable provisions can be attacked when law is reconsidered at end of its one year term.

(4) Provides a tax cut as requested in State of the Union tho not of the type requested.

(5) New unemployment figures are expected to be adverse and may give impetus to a worse bill.

SUMMARY OF TAX CUT BILL

1. Rebate of 1974 taxes

--rebate generally equals 10% of 1974 tax liability
--minimum rebate equals lesser of actual tax liability or $100
--maximum rebate equals $200, phased down to $100 between AGI $20,000 and $30,000
--for married persons filing separately, $50 minimum, $100 maximum and phase down between $10,000 and $15,000
--rebates disregarded for purposes of other benefit programs

2. Standard deduction changes

--minimum standard deduction (low income allowance) increased from $1,300 per return ($650 for married persons filing separately) to $1,900 for a joint return or surviving spouse, $1,600 for single persons, and $950 for married persons filing separately

--maximum standard deduction increased from 15% of AGI (with a maximum of $2,000, or $1,000 for a married person filing separately) to 16% of AGI (with a maximum of $2,600 for a joint return or surviving spouse, $2,300 for a single person, and $1,300 for married persons filing separately
--effective for one year (generally 1975 calendar year)

3. Personal exemption tax credit

--new $30 per exemption tax credit (except blind and aged exemptions) in addition to present law personal exemptions
--effective for one year (generally 1975 calendar year)

4. Earned income credit

--refundable credit equal to 10% of earned income of an eligible individual, with maximum of $400
--to be eligible, must maintain a household within the United States that includes a dependent child
--maximum credit phased down to zero between AGI $4,000 and AGI $8,000
--under AFDC provisions, the earned income credit is taken into account in determining AFDC eligibility
--effective for one year (generally 1975 calendar year)

5. Child care deduction

--increases the income level at which the phase out of the maximum allowable deduction ($4,800) begins. The old phase out began at $18,000, phasing down to zero at $27,600. The new phase out begins at $35,000, phasing down to zero at $44,600.
--permanent change

6. Sale of principal residence

--increases from 12 to 18 months the period during which the seller of an old principal residence must purchase a new principal residence, if he wishes to apply section 1034 to avoid recognition of gain. When construction of the new principal residence is begun by the taxpayer himself, the period is increased from 18 to 24 months.
--permanent change

7. House purchase credit

--new tax credit for purchases of a principal residence equal to 5% of the taxpayer's tax basis, with maximum credit of $2,000. A taxpayer's tax basis in a new principal residence may be less than cost if, for example, he sold an old principal residence, avoided recognition of gain through the application of section 1034, and was required to reduce his basis in the new principal residence by the amount of gain not recognized.
--applies only to purchases of new houses (including mobile homes and residential units in condominiums or cooperative housing projects). That is, the taxpayer must be the first occupant.
--applies only to new houses, etc., the construction of which was commenced prior to March 26, 1975.
--purchaser must attach to his tax return a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale. If the certification is false, the purchaser may recover, in a civil action, three times the difference between the purchase price and the lowest offered price (plus a reasonable attorney's fee) and the seller may be prosecuted
--effective for acquisitions after March 12, 1975, and before January 1, 1977, but applies to 1976 acquisitions only if constructed by the taxpayer or acquired by the taxpayer under a binding contract entered into before January 1, 197

8. Withholding

--new withholding tables reflecting standard deduction changes, personal exemption tax credit, and earned income credit to take effect May 1, 1975. IRS advises that employers may be unable to meet that deadline even if new tables made available by IRS in record time.

9. Investment credit

--two year increase in investment credit from 7% (4% in the case of public utilities) to 10%. Upon lapse of the temporary increase, public utilities would again be eligible for a 4% credit only.

--additional 1% credit (for total 11% credit) during the two year temporary period for corporate taxpayers only and on condition that stock of the taxpayer (or a parent corporation) having a value equal to the tax savings generated by the additional 1% credit is transferred to an employee stock ownership plan (ESOP). No deduction is allowed to the employer for the transferred stock, and the employees are not taxed until they receive distributions from the plan. The plan may be a qualified or a nonqualified plan.

--for public utilities, increase in the portion of tax liability that may be offset by the investment credit from 50% to: 100% in 1975 and 1976, 90% in 1977, 80% in 1978, 70% in 1979, 60% in 1980, and back to 50% in subsequent years

--increase from $25,000 to $100,000 in amount of used property that may qualify for investment credit

--provision for credit to be allowed as progress payments are made , a permanent change

10. Corporate tax rate changes

--surtax exemption (which determines amount taxable at rates below 48%) increased from $25,000 to $50,000 of taxable income

--rate on first $25,000 of taxable income reduced from 22% to 20% (second $25,000 of taxable income will be taxable at 22% rate, balance of income at 48% rate)

--effective for taxable years ending in 1975

11. Accumulated earnings tax

--minimum accumulated earnings tax credit increased from $100,000 to $150,000

--permanent change

12. Work Incentive (WIN) Program Tax Credit

--win credit of 20% of wages paid to a new employee during first 12 months of employment extended to employment of welfare recipients if employment lasts at least one month. Under present law, the new employee must be a participant in the WIN program administered by the Departments of Labor and Health, Education and Welfare and must be employed for at least 24 months
--as under present law, the new employee may not displace another employee
--unlike present law, the expanded credit would apply to nonbusiness employees (e.g., domestics), but the maximum credit with respect to each such nonbusiness employee would be $200
--employment of migrant workers not covered
--effective with respect to wages paid to employees hired after the date of enactment for services rendered between the date of enactment and July 1, 1976

13. Certain Pension Plan Contributions

--for H.R. 10 plans, advanced by one year (to 1976 contributions for 1975 plan years) a provision permitting cash basis taxpayers to treat contributions made before April 15 as having been made in the preceding year

14. Unemployment compensation

--extends the maximum period of benefits from 52 to 65 weeks, for weeks of unemployment ending before July 1, 1975

15. Payment to Social Security Recipients

--provides $50 payment to each individual who for the month of March, 1975, was entitled (without regard to sections 202(j)(1) and 223(b) of title II of the Social Security Act and without the application of section 5(a)(ii) of the Railroad Retirement Act of 1974) to (1) a monthly insurance benefit under title II of the Social Security Act, (2) a monthly annuity or pension payment under one of the Railroad Retirement Acts, or (3) a benefit under SSI
--payments to be made no later than August 31, 1975
--any individual entitled to only one such payment
--only United States residents are eligible
--payments to be disregarded for purposes of other programs

Note respecting permanence of changes

As noted above, virtually all of the tax changes and increased benefits are drafted as temporary changes and benefits effective for only one year, or at most two years. The only permanent changes are: (1) the provision for the investment credit to be allowed on progress payments, (2) the raising of the phase-out level for the child care expense deduction, (3) the expansion of the tax-free rollover period for sales of a principal residence, and (4) the increase in the accumulated earnings tax credit.

16. Limitation on percentage depletion

--eliminated immediately for majors
--exception: 22% retained for all producers for regulated natural gas and natural gas sold under fixed contract
--royalty interest owners and independents (producers with no retail outlets who refine less than 50,000 bbl/day) have small production exemption
--small production exemption: 22% remains for 2,000 bbl/day and phases down 200 bbl/day each year for 5 years, then holds at 1,000 while rate phases down: 20% for 1981, 18% for 1982, 16% for 1983, so that for 1984 and thereafter the exemption is 1,000 bbl/day at 15% (applies alternatively at taxpayer's election to natural gas on 6,000 cu. ft.: 1 bbl. equivalence)
--for secondary and tertiary production the rate under the small production exemption stays at 22% until 1984 when it drops to 15%
--except for new fields acquired in section 351 transfer or transfer at death, small production exemption applies to production from new fields only if discovered by taxpayer
--aggregation rules prevent multiple exemptions for related entities. Family members treated as one taxpayer
--depletion allowance under small production exemption limited to 65% of taxpayer's taxable income (computed without regard to any depletion on small production amount, capital loss or NOL carrybacks).

17. Foreign Oil-Related Income

--new limitation on foreign tax credits of oil companies to 110 percent of the U.S. rate in 1975 (52.8 percent of income); 105 percent of the U.S. rate in 1976 (50.4 percent of U.S. income) and 50 percent of U.S. income in 1977
--carryforwards from years prior to 1974 to years after 1974 will be computed as though the foregoing rules were in effect during those years

17. Foreign Oil-Related Income (continued)

--excess credits resulting from the application of these rules can only be used to shelter other oil-related income, including income from shipping, refining, marketing, interest, and dividends
--requires for taxable years beginning after 1975, the use of the overall limitation in the computation of the foreign tax credits of oil companies
--new recapture rule for losses incurred in oil operations; foreign oil income earned after December 31, 1975, will be treated as U.S. source income to the extent of any oil related losses sustained after that date
--bars use of tax credits with respect to the purchase of oil where the taxpayer does not have an economic interest in such oil and where such oil is not purchased and sold at its fair market value. This provision is effective for years after December 31, 1974

18. Deferral - Changes in Subpart F

--terminates the minimum distributions exception to subpart F (Section 963)
--terminates the exception to subpart F which allows deferral where tax haven income is reinvested in a less developed country corporation
--revises the present rule permitting deferral of tax on foreign tax haven income where less than 30 percent of such income is tax haven income to terminate such deferral where the tax haven income exceeds 10 percent of income
--terminates the exception to subpart F for shipping income except where such income is reinvested in shipping operations
--allows deferral of income on sales by a foreign sales corporation of agricultural products which are not grown in commercially marketable quantities in the U.S.
--all of the foregoing changes are effective in taxable years beginning after December 31, 1975

19. DISC

--terminates DISC deferral privileges for sales of energy resources such as coal, oil, and uranium
--effective for sales made after March 18, 1975

20. Oil Rigs - Investment Tax Credit

--disallows investment tax credit for oil rigs used in international or territorial waters outside the northern portion of the western hemisphere effective for investments after March 18, 1975, unless made pursuant to contracts binding on April 1, 1974

Tentative

Comparison of House, Senate, and Conference Bills

($ billions)

Tax reductions	House	Senate	Conferenc
I. Individuals:			
Refund of 1974 liability	8.1	9.7	8.1
Standard deduction increase	5.2	--	2.5
Credit	--	6.3	5.3
Tax rate reductions	--	2.3	--
Earned income credit	2.9	1.5	1.5
House purchase credit	--	1.1	0.6
Child care	--	1.7	0.1
Home insulation	--	0.7	--
Total individuals	16.2	23.3	18.1
Business:			
Investment tax credit	2.4	4.3	3.3
Corporate surtax exemptions	1.2	1.2	1.2
Tax rate reduction	--	0.7	0.3
Loss carryback, carry forward	--	0.5	--
Repeal truck excise taxes	--	0.7	--
Total business	3.6	7.4	4.8
II. Increased expenditures:			
$100 payment to certain program beneficiaries	--	3.4	1.7
Emergency unemployment benefits	--	0.2	0.2
Total increased expenditures	--	3.6	1.9
III. Tax increases:			
Depletion	(2.2)	(1.7)	(1.6)
Foreign oil taxation	--	(1.5)	(0.1)
Deferral of foreign income	--	(0.5)	--
Total tax increases	(2.2)	(3.7)	(1.7)
Total net revenue loss	17.6	30.6	23.1

Office of the Secretary of the Treasury
Office of Tax Analysis

March 26, 1975

Tentative

Comparison of the Effects on Fiscal Year Receipts of the President's Stimulus Package, the House Bill, the Senate Bill, and the Conference Bill

	Fiscal Years 1975	Fiscal Years 1976
	(... $ billions ....)	
President's stimulus program 1/	-7.3	-9.0
House bill	-10.0	-7.3
Senate Finance Committee bill 2/	-13.0	-16.5
Conference bill 3/	-10.8	-10.6

Office of the Secretary of the Treasury
Office of Tax Analysis

March 26, 1975

1/ Adjusted from original estimate for different timing on the first rebate payment.

2/ Excludes $3.4 billion of payments to social security benefits and $0.2 billion of unemployment payments.

3/ Excludes $1.7 billion of payments to social security benefits and $0.2 billion of unemployment payments.

March 26, 1975

COMPARISON OF SUBSTANTIVE HOUSE AND SENATE PROVISIONS IN CONFERENCE

Individual Reductions	House	Senate	Conference	Savings From Senate Bill
1. Rebate 1974 Tax	-8.1	-9.7	-8.1	+1.6
Adopted: House version. 10%, max. $200, min. $100 (or actual tax, if less).				
2. Individual Permanent Items	-5.2	-8.6	-7.8	+0.8
House proposed changes in standard deduction Senate did not change standard deduction, but provided an optional $200 per person credit in lieu of present $750 exemption, and lowered rates on first $4,000 of income.				
Adopted: increased min. standard deduction from $1,300 to $1,600 for singles, $1,900 for marrieds; provided an additional (not optional) credit against tax of $30 per person.				
3. Earned Income Credit	-2.9	-1.5	-1.5	---
Adopted: Senate version. 10% refundable credit on first $4,000 of income, phasing out between $4,000 and $8,000.				
4. House Purchase Credit	---	-1.1	-0.6	+0.5
Adopted: credit of 5% up to maximum of $2,000, covering only new houses purchased between March 26 and Dec. 31, 1975, construction of which began before March 26. Seller to give affidavit that house has not been offered at lower price. Includes mobile homes.				

5. Child Care	---	-1.7	-0.1	+1.6
Adopted: minor liberalization of existing law.				
6. Home Insulation	---	-0.7	-0-	+0.7
Adopted: deleted, saved for energy bill.				
Subtotal	-16.2	-23.3	-18.1	+5.2
Business Reductions				
1. Investment Tax Credit	-2.4	-4.3	-3.3	+1.0
Adopted: Increase to 10% for 2 years. Liberalizing limitation for utilities, provide for credit as payments are made. An additional 1% allowed if employer puts stock of equal amount in employee stock ownership plan.				
2. Corporate Surtax	-1.2	-1.2	-1.2	---
Adopted: Both bills provide for increase from $25,000 to $50,000 of amount subject to "normal" tax (presently 22%).				
3. Corporate Rate Reduction	---	-0.7	-0.3	+0.4
Adopted: Changed normal tax rate from 22% to 20% on first $25,000.				
4. Loss Carryback Liberalization	---	-0.5	-0-	+0.5
Deleted.				
5. Elimination of Excise Tax on Trucks	---	-0.7	-0-	+0.7
Deleted.				
Subtotal	-3.6	-7.4	-4.8	+2.6

Increases in Nontax Expenditures				
1. Social Security	---	-3.4	-1.7	+1.7
Adopted: $50 to each social security recipient.				
2. Unemployment Compensation	---	-0.2	-0.2	---
Adopted: extends eligibility 13 weeks, but not beyond June 30, 1975.				
Subtotal	---	-3.6	-1.9	+1.7
Gross revenue loss	-19.8	-34.3	-24.8	+9.5
Tax Increases				
1. Depletion	+2.2	+1.7	+1.7	---
Eliminated for all but first 2,000 bbls. a day. 2,000 limit reduced 200 per year to 1,000 in 1980, then 2% to 15% in 1984.				
2. Foreign Oil Tax	---	+1.5	+0.3	-1.2
Limits excess credits for foreign oil production (more liberal than 1974 Treasury proposals).				
3. Deferral	---	+0.5	-0-	-0.5
Amends technical rules relating to tax-haven companies. Similar to 1974 agreed version. Effective in 1976.				
Subtotal	+2.2	+3.7	+2.0	-1.7
Total	-17.6	-30.6	-22.8	+7.8

[March 1975?]

SUMMARY OF TAX CUT BILL

1. Rebate of 1974 taxes

--rebate generally equals 10% of 1974 tax liability
--minimum rebate equals lesser of actual tax liability or $100
--maximum rebate equals $200, phased down to $100 between AGI $20,000 and $30,000
--for married persons filing separately, $50 minimum, $100 maximum and phase down between $10,000 and $15,000
--rebates disregarded for purposes of other benefit programs

2. Standard deduction changes

--minimum standard deduction (low income allowance) increased from $1,300 per return ($650 for married persons filing separately) to $1,900 for a joint return or surviving spouse, $1,600 for single persons, and $950 for married persons filing separately

--maximum standard deduction increased from 15% of AGI (with a maximum of $2,000, or $1,000 for a married person filing separately) to 16% of AGI (with a maximum of $2,600 for a joint return or surviving spouse, $2,300 for a single person, and $1,300 for married persons filing separately
--effective for one year (generally 1975 calendar year)

3. Personal exemption tax credit

--new $30 per exemption tax credit (except blind and aged exemptions) in addition to present law personal exemptions
--effective for one year (generally 1975 calendar year)

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--refundable credit equal to 10% of earned income of an eligible individual, with maximum of $400
--to be eligible, must maintain a household within the United States that includes a dependent child
--maximum credit phased down to zero between AGI $4,000 and AGI $8,000
--under AFDC provisions, the earned income credit is taken into account in determining AFDC eligibility
--effective for one year (generally 1975 calendar year)

5. Child care deduction

--increases the income level at which the phase out of the maximum allowable deduction ($4,800) begins. The old phase out began at $18,000, phasing down to zero at $27,600. The new phase out begins at $35,000, phasing down to zero at $44,600.

--permanent change

6. Sale of principal residence

--increases from 12 to 18 months the period during which the seller of an old principal residence must purchase a new principal residence, if he wishes to apply section 1034 to avoid recognition of gain. When construction of the new principal residence is begun by the taxpayer himself, the period is increased from 18 to 24 months.

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7. House purchase credit

--new tax credit for purchases of a principal residence equal to 5% of the taxpayer's tax basis, with maximum credit of $2,000. A taxpayer's tax basis in a new principal residence may be less than cost if, for example, he sold an old principal residence, avoided recognition of gain through the application of section 1034, and was required to reduce his basis in the new principal residence by the amount of gain not recognized.

--applies only to purchases of new houses (including mobile homes and residential units in condominiums or cooperative housing projects). That is, the taxpayer must be the first occupant.

--applies only to new houses, etc., the construction of which was commenced prior to March 26, 1975.

--purchaser must attach to his tax return a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale. If the certification is false, the purchaser may recover, in a civil action, three times the difference between the purchase price and the lowest offered price (plus a reasonable attorney's fee) and the seller may be prosecuted.

--effective for acquisitions after March 12, 1975, and before January 1, 1977, but applies to 1976 acquisitions only if constructed by the taxpayer or acquired by the taxpayer under a binding contract entered into before January 1, 1976.

8. Withholding

--new withholding tables reflecting standard deduction changes, personal exemption tax credit, and earned income credit to take effect May 1, 1975. IRS advises that employers may be unable to meet that deadline even if new tables made available by IRS in record time.

9. Investment credit

--two year increase in investment credit from 7% (4% in the case of public utilities) to 10%. Upon lapse of the temporary increase, public utilities would again be eligible for a 4% credit only.

--additional 1% credit (for total 11% credit) during the two year temporary period for corporate taxpayers only and on condition that stock of the taxpayer (or a parent corporation) having a value equal to the tax savings generated by the additional 1% credit is transferred to an employee stock ownership plan (ESOP). No deduction is allowed to the employer for the transferred stock, and the employees are not taxed until they receive distributions from the plan. The plan may be a qualified or a nonqualified plan.

--for public utilities, increase in the portion of tax liability that may be offset by the investment credit from 50% to: 100% in 1975 and 1976, 90% in 1977, 80% in 1978, 70% in 1979, 60% in 1980, and back to 50% in subsequent years

--increase from $25,000 to $100,000 in amount of used property that may qualify for investment credit

--provision for credit to be allowed as progress payments are made , a permanent change

10. Corporate tax rate changes

--surtax exemption (which determines amount taxable at rates below 48%) increased from $25,000 to $50,000 of taxable income

--rate on first $25,000 of taxable income reduced from 22% to 20% (second $25,000 of taxable income will be taxable at 22% rate, balance of income at 48% rate)

--effective for taxable years ending in 1975

11. Accumulated earnings tax

--minimum accumulated earnings tax credit increased from $100,000 to $150,000

--permanent change

12. Work Incentive (WIN) Program Tax Credit

--win credit of 20% of wages paid to a new employee during first 12 months of employment extended to employment of welfare recipients if employment lasts at least one month. Under present law, the new employee must be a participant in the WIN program administered by the Departments of Labor and Health, Education and Welfare and must be employed for at least 24 months
--as under present law, the new employee may not displace another employee
--unlike present law, the expanded credit would apply to nonbusiness employees (e.g., domestics), but the maximum credit with respect to each such nonbusiness employee would be $200
--employment of migrant workers not covered
--effective with respect to wages paid to employees hired after the date of enactment for services rendered between the date of enactment and July 1, 1976

13. Certain Pension Plan Contributions

--for H.R. 10 plans, advanced by one year (to 1976 contributions for 1975 plan years) a provision permitting cash basis taxpayers to treat contributions made before April 15 as having been made in the preceding year

14. Unemployment compensation

--extends the maximum period of benefits from 52 to 65 weeks, for weeks of unemployment ending before July 1, 1975

15. Payment to Social Security Recipients

--provides $50 payment to each individual who for the month of March, 1975, was entitled (without regard to sections 202(j)(1) and 223(b) of title II of the Social Security Act and without the application of section 5(a)(ii) of the Railroad Retirement Act of 1974) to (1) a monthly insurance benefit under title II of the Social Security Act, (2) a monthly annuity or pension payment under one of the Railroad Retirement Acts, or (3) a benefit under SSI
--payments to be made no later than August 31, 1975
--any individual entitled to only one such payment
--only United States residents are eligible
--payments to be disregarded for purposes of other programs

Note respecting permanence of changes

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16. Limitation on percentage depletion

--eliminated immediately for majors
--exception: 22% retained for all producers for regulated natural gas and natural gas sold under fixed contract
--royalty interest owners and independents (producers with no retail outlets who refine less than 50,000 bbl/day) have small production exemption
--small production exemption: 22% remains for 2,000 bbl/day and ~~phases down 200 bbl/day each year for 5 years, then~~ holds at 1,000 while rate phases down: 20% for 1981, 18% for 1982, 16% for 1983, so that for 1984 and thereafter the exemption is 1,000 bbl/day at 15% (applies alternatively at taxpayer's election to natural gas on 6,000 cu. ft.: 1 bbl. equivalence)
--for secondary and tertiary production the rate under the small production exemption stays at 22% until 1984 when it drops to 15%
--except for new fields acquired in section 351 transfer or transfer at death, small production exemption applies to production from new fields only if discovered by taxpayer
--aggregation rules prevent multiple exemptions for related entities. Family members treated as one taxpayer
--depletion allowance under small production exemption limited to 65% of taxpayer's taxable income (computed without regard to any depletion on small production amount, capital loss or NOL carrybacks).

17. Foreign Oil-Related Income

--new limitation on foreign tax credits of oil companies to 110 percent of the U.S. rate in 1975 (52.8 percent of income); 105 percent of the U.S. rate in 1976 (50.4 percent of U.S. income) and 50 percent of U.S. income in 1977
--carryforwards from years prior to 1974 to years after 1974 will be computed as though the foregoing rules were in effect during those years

17. Foreign Oil-Related Income (continued)

--excess credits resulting from the application of these rules can only be used to shelter other oil-related income, including income from shipping, refining, marketing, interest, and dividends
--requires for taxable years beginning after 1975, the use of the overall limitation in the computation of the foreign tax credits of oil companies
--new recapture rule for losses incurred in oil operations; foreign oil income earned after December 31, 1975, will be treated as U.S. source income to the extent of any oil related losses sustained after that date
--bars use of tax credits with respect to the purchase of oil where the taxpayer does not have an economic interest in such oil and where such oil is not purchased and sold at its fair market value. This provision is effective for years after December 31, 1974

18. Deferral - Changes in Subpart F

--terminates the minimum distributions exception to subpart F (Section 963)
--terminates the exception to subpart F which allows deferral where tax haven income is reinvested in a less developed country corporation
--revises the present rule permitting deferral of tax on foreign tax haven income where less than 30 percent of such income is tax haven income to terminate such deferral where the tax haven income exceeds 10 percent of income
--terminates the exception to subpart F for shipping income except where such income is reinvested in shipping operations
--allows deferral of income on sales by a foreign sales corporation of agricultural products which are not grown in commercially marketable quantities in the U.S.
--all of the foregoing changes are effective in taxable years beginning after December 31, 1975

19. DISC

--terminates DISC deferral privileges for sales of energy resources such as coal, oil, and uranium
--effective for sales made after March 18, 1975

20. Oil Rigs - Investment Tax Credit

--disallows investment tax credit for oil rigs used in international or territorial waters outside the northern portion of the western hemisphere effective for investments after March 18, 1975, unless made pursuant to contracts binding on April 1, 1974

Tentative

Comparison of House, Senate, and Conference Bills

($ billions)

Tax reductions	House	Senate	Conferenc
I. Individuals:			
Refund of 1974 liability	8.1	9.7	8.1
Standard deduction increase	5.2	--	2.5
Credit	--	6.3	5.3
Tax rate reductions	--	2.3	--
Earned income credit	2.9	1.5	1.5
House purchase credit	--	1.1	0.6
Child care	--	1.7	0.1
Home insulation	--	0.7	--
Total individuals	16.2	23.3	18.1
Business:			
Investment tax credit	2.4	4.3	3.3
Corporate surtax exemptions	1.2	1.2	1.2
Tax rate reduction	--	0.7	0.3
Loss carryback, carry forward	--	0.5	--
Repeal truck excise taxes	--	0.7	--
Total business	3.6	7.4	4.8
II. Increased expenditures:			
$100 payment to certain program beneficiaries	--	3.4	1.7
Emergency unemployment benefits	--	0.2	0.2
Total increased expenditures	--	3.6	1.9
III. Tax increases:			
Depletion	(2.2)	(1.7)	(1.6)
Foreign oil taxation	--	(1.5)	(0.1)
Deferral of foreign income	--	(0.5)	--
Total tax increases	(2.2)	(3.7)	(1.7)
Total net revenue loss	17.6	30.6	23.1

Office of the Secretary of the Treasury
Office of Tax Analysis

March 26, 1975

Tentative

Comparison of the Effects on Fiscal Year Receipts of the President's Stimulus Package, the House Bill, the Senate Bill, and the Conference Bill

	Fiscal Years 1975	Fiscal Years 1976
	(... $ billions	....)
President's stimulus program 1/	-7.3	-9.0
House bill	-10.0	-7.3
Senate Finance Committee bill 2/	-13.0	-16.5
Conference bill 3/	-10.8	-10.6

Office of the Secretary of the Treasury
Office of Tax Analysis

March 26, 1975

1/ Adjusted from original estimate for different timing on the first rebate payment.

2/ Excludes $3.4 billion of payments to social security benefits and $0.2 billion of unemployment payments.

3/ Excludes $1.7 billion of payments to social security benefits and $0.2 billion of unemployment payments.

March 26, 1975

COMPARISON OF SUBSTANTIVE HOUSE AND SENATE PROVISIONS IN CONFERENCE

Individual Reductions	House	Senate	Conference	Savings From Senate Bill
1. Rebate 1974 Tax	-8.1	-9.7	-8.1	+1.6
Adopted: House version. 10%, max. $200, min. $100 (or actual tax, if less).				
2. Individual Permanent Items	-5.2	-8.6	-7.8	+0.8
House proposed changes in standard deduction Senate did not change standard deduction, but provided an optional $200 per person credit in lieu of present $750 exemption, and lowered rates on first $4,000 of income.				
Adopted: increased min. standard deduction from $1,300 to $1,600 for singles, $1,900 for marrieds; provided an additional (not optional) credit against tax of $30 per person.				
3. Earned Income Credit	-2.9	-1.5	-1.5	---
Adopted: Senate version. 10% refundable credit on first $4,000 of income, phasing out between $4,000 and $8,000.				
4. House Purchase Credit	---	-1.1	-0.6	+0.5
Adopted: credit of 5% up to maximum of $2,000, covering only new houses purchased between March 26 and Dec. 31, 1975, construction of which began before March 26. Seller to give affidavit that house has not been offered at lower price. Includes mobile homes.				

5. Child Care Adopted: minor liberalization of existing law.	---	-1.7	-0.1	+1.6
6. Home Insulation Adopted: deleted, saved for energy bill.	---	-0.7	-0-	+0.7
Subtotal	-16.2	-23.3	-18.1	+5.2
Business Reductions				
1. Investment Tax Credit Adopted: Increase to 10% for 2 years. Liberalizing limitation for utilities, provide for credit as payments are made. An additional 1% allowed if employer puts stock of equal amount in employee stock ownership plan.	-2.4	-4.3	-3.3	+1.0
2. Corporate Surtax Adopted: Both bills provide for increase from $25,000 to $50,000 of amount subject to "normal" tax (presently 22%).	-1.2	-1.2	-1.2	---
3. Corporate Rate Reduction Adopted: Changed normal tax rate from 22% to 20% on first $25,000.	---	-0.7	-0.3	+0.4
4. Loss Carryback Liberalization Deleted.	---	-0.5	-0-	+0.5
5. Elimination of Excise Tax on Trucks Deleted.	---	-0.7	-0-	+0.7
Subtotal	-3.6	-7.4	-4.8	+2.6

Increases in Nontax Expenditures				
1. Social Security	---	-3.4	-1.7	+1.7
Adopted: $50 to each social security recipient.				
2. Unemployment Compensation	---	-0.2	-0.2	---
Adopted: extends eligibility 13 weeks, but not beyond June 30, 1975.				
Subtotal	---	-3.6	-1.9	+1.7
Gross revenue loss	-19.8	-34.3	-24.8	+9.5
Tax Increases				
1. Depletion	+2.2	+1.7	+1.7	---
Eliminated for all but first 2,000 bbls. a day. 2,000 limit reduced 200 per year to 1,000 in 1980, then 2% to 15% in 1984.				
2. Foreign Oil Tax	---	+1.5	+0.3	-1.2
Limits excess credits for foreign oil production (more liberal than 1974 Treasury proposals).				
3. Deferral	---	+0.5	-0-	-0.5
Amends technical rules relating to tax-haven companies. Similar to 1974 agreed version. Effective in 1976.				
Subtotal	+2.2	+3.7	+2.0	-1.7
Total	-17.6	-30.6	-22.8	+7.8

March 20, 1975

MEMORANDUM FOR: MAX L. FRIEDERSDORF

FROM: WILLIAM T. KENDALL

SUBJECT: The Tax Reduction Bill Amendment by Senator Mansfield

Senator Mansfield was successful in recommitting the tax bill today by a vote of 85-11 with instructions. Senators are getting restless and sensitive to White House criticism for dallying on the bill. They were deadlocked on Pastore's 8.7% increase which was being talked to death. Mansfield surprised all by rising with a motion to send the bill back to committee with instructions to report out a new bill, stripped of the $1 billion break for failing companies and the foreign tax thing of Hartke's. As a compromise of the Pastore social security increase, they now have a $100 one-time payment to us old folks on social security.

Total cost of the package is $31 billion with still more amendments to come. It is essentially the Senate Finance Committee bill with the following additions:

--The above mentioned social security provisions
--Rebates of '74 taxes would be increased from 10% $200 MAXIMUM to 12% and $240 maximum with minimum of $120 if at least that much was paid in taxes.
--5% credit on NEW homes only to maximum of $2000.

In a later vote the foreign tax thing was again hooked on by Hartke. Oh, yes! The Oil depletion amendment was also wiped out!

bcc: Jack Marsh

MAR 21 1975

March 20, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX FRIEDERSDORF

SUBJECT: The Tax Reduction Bill

Consideration of the tax reduction bill is expected to continue throughout the evening and they still expect to finish the bill sometime tomorrow.

The recommittal motion by Senator Mansfield which carried by 85-11, broke a dead lock on extended consideration of Pastore's 8.7% social security increase which was in the process of being talked to death.

Our Senate liaison staff reports that the Senators are getting increasingly restless and particularly sensitive to White House criticism for delaying the bill.

Mansfield surprised the Senate by offering a motion to send the bill back to committee with instructions to report out a new bill, strip the $1 billion Lockheed, Pan Am, Chrysler tax break for failing companies and a foreign tax amendment of Senator Hartke's.

As a compromise on the Pastore social security increase, they now have a $100 one time payment to social security recipients.

Total cost of the package is $31 billion with additional amendments expected. The bill that is now being worked on is essentially the Senate Finance Committee bill with the following additions:

1. The above mentioned social security provisions.

2. Rebates of '74 taxes would be increased from 10% with a $200 maximum to 12% and a $240 maximum with a minimum of $120 if at least that much was paid in taxes.

3. A 5% credit on new homes to a maximum of $2000.

In a subsequent vote today the foreign tax amendment was again attached to the bill by Hartke.

At this writing the oil depletion repealer which was wiped out by the Mansfield recommittal, is again being considered under a Hollings amendment.

It is predicted that cloture may be obtained tomorrow and the bill concluded sometime later on Friday.

If this is accomplished, the House Ways and Means and the Senate Finance Committee staffs would work over the weekend on preparation for the start of a conference on Monday with a goal of completion by Wednesday before the recess starts.

bcc: Jack Marsh
Don Rumsfeld
Bob Hartmann
Ron Nessen

March 22, 1975

CONSENSUS

Messrs: Simon, Weinberger, Lynn, Seidman, and Seever

1. Make it clear that Senate Bill is unacceptable and would be vetoed.

2. Support House Bill provided the earned income credit is removed.

3. Indicate that would accept bill of $20 billion, but without earned income credit.

4. Object specifically and strongly to the following:

   Earned income credit.
   Foreign provisions on deferral and foreign tax credits.
   Special distribution to social security recipients.
   Housing credit.

   Also list as objectionable:

   Child care
   Truck excises.

March 22, 1975

GENERAL COMMENT

1. Size of total reduction:

	Gross	Net of Revenue Gainers
House	19.9	17.7
Senate	33.9	30.2

2. Revenue gainers:

a. Depletion elimination -- House $2.2
Senate $1.6+

Difference between the bills is that the House ends all depletion, but the Senate contains a permanent exemption for production under 2,000 barrels a day.

Our prior position, expressed by Simon and Hickman in several Committee appearances last year, was: (1) we are opposed to eliminating depletion, (2) if it is to be eliminated, it should be eliminated for everybody, but possibly with a transitional phase-out for independents. Out best guess is that a deal has been more or less cut by Long & Ullman to give independents a long phase-out but not a complete exemption. That solution would be consistent with our prior position.

We will undoubtedly be asked about our position on the independent exemption. Do we (1) reaffirm our prior position, (2) disavow it, or (3) refuse to express a view at this time?

b. Foreign provision

Eliminates foreign tax credit for oil and gas activities.	Treas.	Est.	$1.5 B.
	Hartke	Est.	1.0 B.
Makes earnings of foreign subsidiaries currently taxable.	Treas.	Est.	$1.3 B.
	Hartke	Est.	.6 B

These are very bad provisions, not carefully considered.

3. Rebate:

Senate provides greater rebate with higher cap than House. We prefer additional rebate to more permanent items.

4. Standard deduction:

This increase in low income allowance (i.e., minimum standard deduction) is similar to what we proposed in the energy package. It does not help itemizers except to the extent that a more generous deduction may cause many to switch to the standard deduction. Unions have criticized it for this reason, and both the Mondale $200 per exemption credit and the Bentsen 1% reduction in the first four brackets respond to that criticism.

5. $200 optional credit (Mondale):

Provides major tax premium on larger number of children. Greatly complicates millions of returns.

Raises nontaxable threshold to:

Family of	AGI
1	2,733
2	4,167
3	5,405
4	6,458
5	7,511
6	8,563

Combined with increased standard deduction would raise nontaxable threshold to:

Family of	AGI
1	3,333
2	5,367
3	6,605
4	7,658
5	8,711
6	9,763

6. Reduce brackets on first $4,000 of taxable income by 1% (Bentsen)

Amounts to $40 per taxpayer for taxpayer's taxable income of $4,000 or more.

Slight benefit ($40) for upper income taxpayers.

7. Earned income credit

In any form, this credit adds a new categorical welfare program and a new agency to the existing jumble. It also undercuts the social security system to extent it is designed and perceived to refund a portion of social security taxes.

House - 5% of earned income for everyone, phasing out between $4,000 and $6,000. $3.0 billion

More equitable than Senate version in the sense that deserving persons without children are also covered. Better phase-out.

Senate- 10% of earned income confined to families with children, phasing out between $4,000 and $8,000. $1.7 billion.

Costs less than House version, avoids giving ~~credit to students, etc.,~~ less ~~likely to be~~ seen as undercutting social security.

8. Housing Credit

Very bad. Pays largely for what would be done anyway; unlikely to go away; estimates of large effect on housing starts seem unbelievable to Treasury and OMB economists; does nothing for multi-family units; increases existing tax bias towards single family home ownership.

Senate: 5% with $2,000 maximum, new homes only, confined to homes purchased March -- December 1975. $1 billion.

HUD: 5% up to $1,500 maximum, new homes only, limited to AGI's under $20,000, phasing out from $20,000 to $25,000. HUD estimates 426,000 new starts for entire year 1975, $1.22 billion. Treasury estimates 20,000 additional units and $425 million loss.

9. Social Security distribution

$100 to each social security recipient.

Very expensive. Costs more than Pastore proposal (for which it was a substitute) to make social security increases retroactive to first of the year. Precedent for funding social security from general fund.

Might be recast as an option for taxpayers to take this or the rebate. That would help keep the temporary character and cut the revenue loss some.

10. Child Care

Provides business expense deduction without limitation for household services and care of children or disabled person, where both spouses are working or one disabled.

Revenue loss could be $1.5 billion or higher. (Senate used $800 million figure.)

This is a woman's lib proposal. There is now in the Code a child care deduction that is very complicated and very limited. We supported a much more restricted liberalization last year as part of simplification program.

Ways and Means bill last year liberalized existing provisions, but was much more limited.

11. Home Energy Credit

Substantially more expensive than Administration proposal. Belongs in energy bill. But it is similar to our proposal and hard to resist in principle so long as our own proposal is outstanding.

12. Investment Credit

Senate version is very similar to ours. It is slightly more liberal in a few details. However, it provides that part of benefit must go to employee stock ownership plan.

House bill provides less credit and puts an unjustified cap on AT&T.

We should support Senate version, but stripped of employee stock ownership plan provision.

13. <u>Corporate surtax exemption increase; decrease in normal tax rate; increase in investment credit limitation on used machinery</u>

These are billed as "small business" exemptions and have wide support. The surtax exemption is in both bills. The decrease in the normal tax rate is only in the Senate bill. We should support all as part of the program to preserve reasonable share of relief for business.

14. <u>Truck and part excises</u>

A major revenue loss, but not enough to do anything significant for auto industry. Heavy trucks are already undertaxed in comparison with other highway users, and this would make that worse. Further heightens the discrimination against railroads.

We should oppose.

15. <u>Other items</u>

Extension of unemployment compensation: Treasury has inadequate information at this time.

Net operating loss carryback: has been narrowed so that Chrysler is only conspicuous company helped.

Foreign oil rigs, accumulated earnings credit: not significant items.

Table 1

Share of Electorate Paying Income Tax

Number of adults, 1974	144,763,000	
Number filing taxable returns:		
Under present law	107,656,000	[74.4 %]
Under House-passed standard deduction change	101,538,000	[70.1 %]
Under Senate-passed optional exemption credit	96,985,000	[67.0%]
Under both plans combined	91,345,000*	[63.1%]

*preliminary estimate

Comparison of Tax Changes Under House and Senate Bills

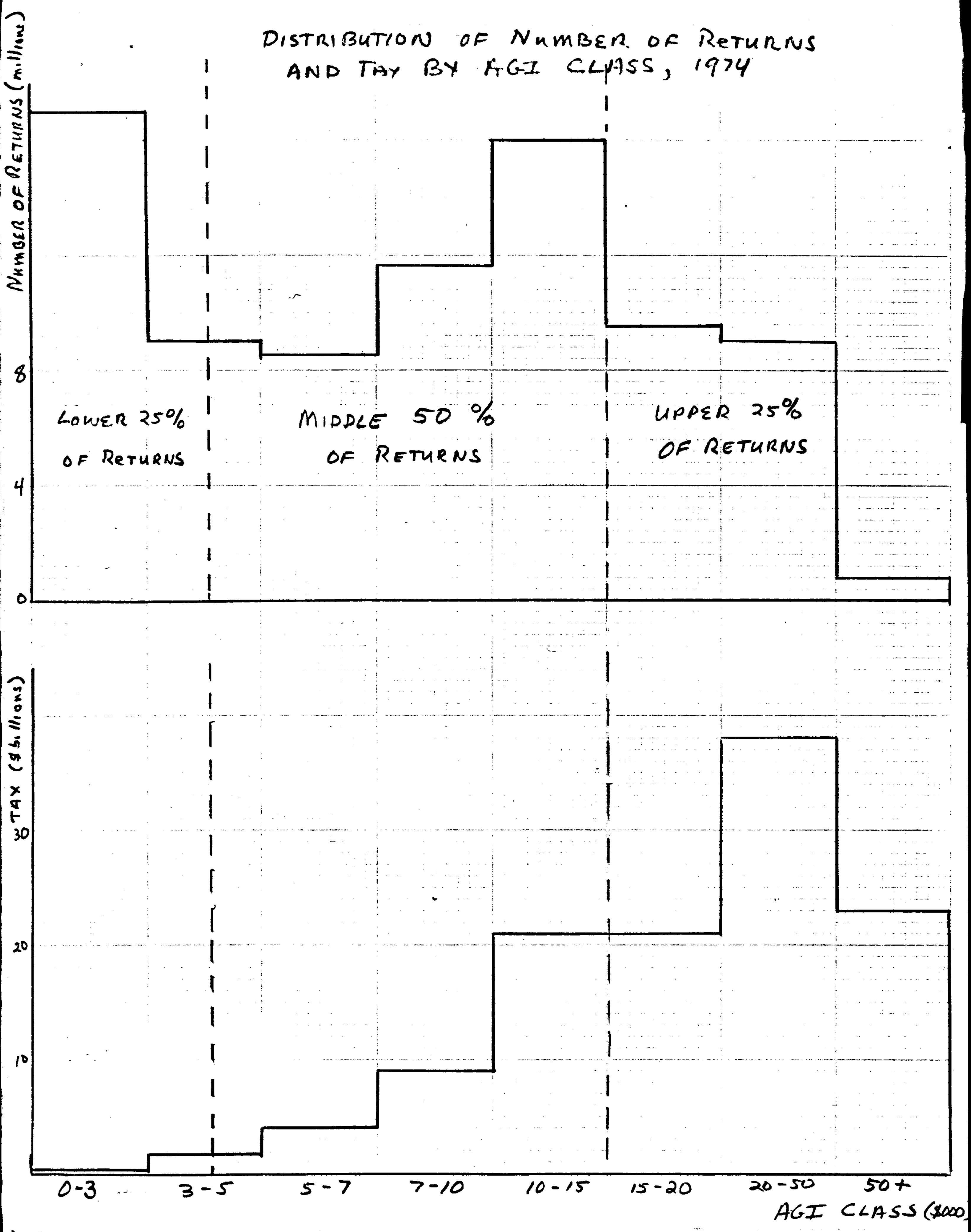
(1974 Levels of Income)

Adjusted gross income class	Present law tax	House Bill Major Provisions 1/		Senate Bill Major Provisions 2/	
($000)	($ billions)	(. . . . .$ billions	. . . .)		
			Percentage Relief		Percentage Relief
0 - 3	0.3	-1.940	613.3%	- .915	305.0%
3 - 5	1.8	-2.654	147.4	-2.086	115.9
5 - 7	4.1	-1.934	47.2	-2.503	61.0
7 - 10	9.3	-2.494	26.8	-3.366	36.2
10 - 15	21.2	-3.136	14.8	-5.313	25.1
15 - 20	20.9	-2.337	11.2	-3.347	16.0
20 - 50	38.4	-1.566	4.1	-1.862	4.8
50 - 100	11.9	- .078	0.7	- .106	0.9
100 +	11.0	- .018	0.2	- .025	0.2
Totals	118.8	-16.157	13.6	-19.526	16.4

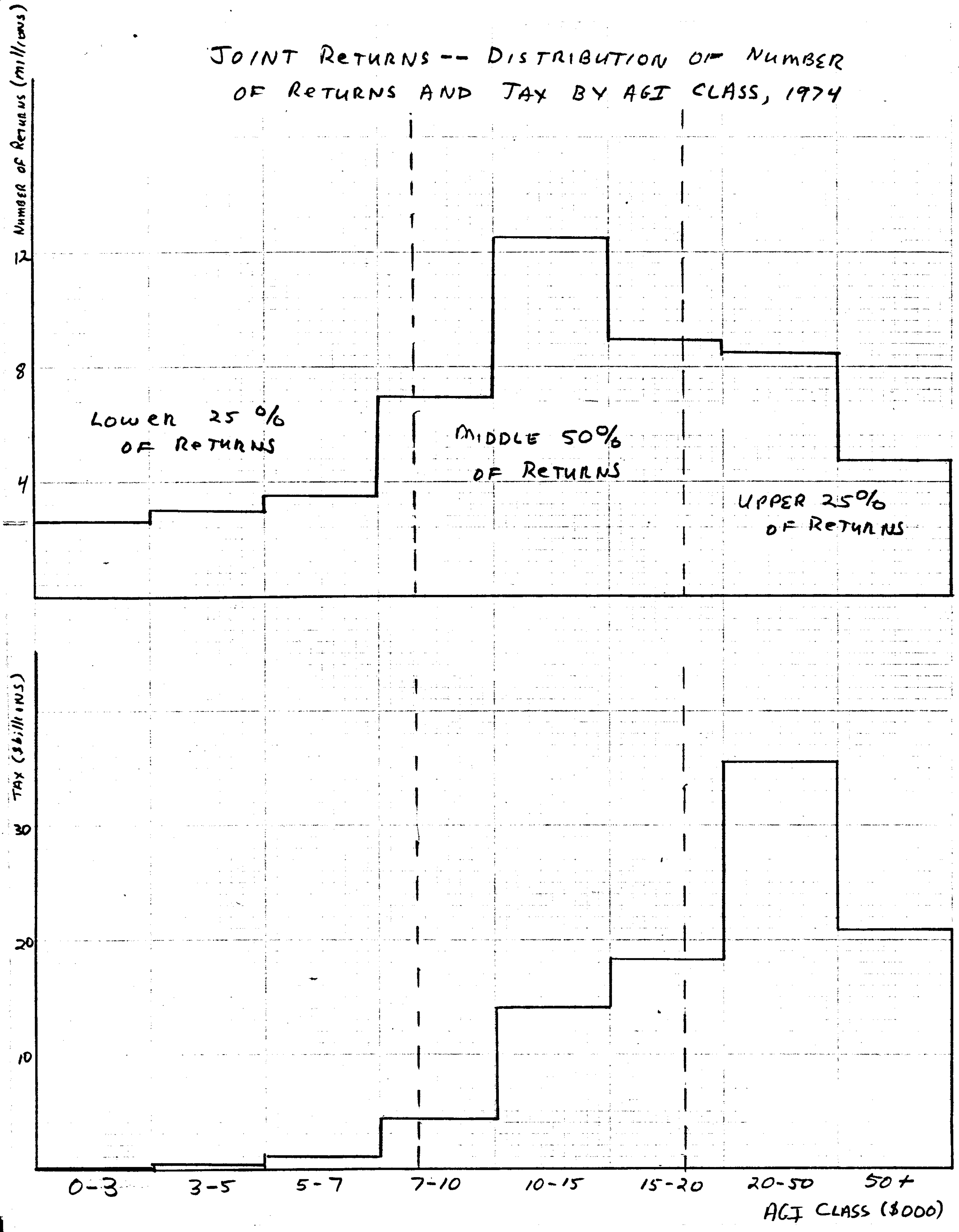
1/ Consists of 1974 tax rebate, increases in the standard deduction and the earned income credit.

2/ Consists of 1974 tax rebate, $200 optional personal credit, low rate reduction and the earned income credit. Does not include social security payments, child care deduction, new housing credit and home energy credit.

DISTRIBUTION OF NUMBER OF RETURNS AND TAX BY AGI CLASS, 1974



JOINT RETURNS -- DISTRIBUTION OF NUMBER OF RETURNS AND TAX BY AGI CLASS, 1974



MAR 22 1975

THE WHITE HOUSE

WASHINGTON

March 22, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX L. FRIEDERSDORF

SUBJECT: Tax Reduction Bill

Conference on the tax cut bill will start on Monday morning.

Conferees include:

HOUSE	SENATE
Ullman	Long
Burke (Mass)	Talmadge
Rostenkowski	Hartke
Landrum	Ribicoff
Vanik	Hathaway
Schneebeli	Haskell
Conable	Curtis
	Fannin
	Hansen
	Dole

House conferees will meet at 8:00 a.m. Monday prior to the conference to discuss strategy.

Conable has called and asked for White House guidance on the various amendments and overall bill (he has already talked to Simon and I have asked Greenspan and Seidman to call him).

Conable and I concur that it would be useful if you spoke to Ullman before the conference convenes to urge him to hold the line for a lower tax cut figure, and against the numerous amendments added in the Senate.

The Senate will be in session Monday, adjourn Tuesday and clean up its business, including the tax cut bill and the farm bill on Wednesday before recessing for Easter.

bcc: Don Rumsfeld
Jack Marsh
Bob Hartmann

Ron Nessen

March 25, 1975

Dear Mr. President:

I am writing you while the Conference Committee is considering the House and Senate versions of H.R. 2166, the tax cut which I urged last January to stimulate the economy. Although I am most anxious to sign a bill along the lines I have proposed, I am now concerned that Congress is trying to do too much in the legislation the Conferees are considering, thereby providing an economic stimulus far beyond that which is needed.

The Conferees and the Members should understand that I will be unable to accept a bill so encumbered with extraneous amendments and of such deficit-increasing magnitude as to nullify the intended effect of a one-time stimulant.

The purpose in asking the Congress to enact a simple tax cut as quickly as possible was to stimulate the economy. I proposed temporary one-time tax cuts totalling $16 billion. My proposal was designed to provide maximum stimulus without setting the stage for a new inflationary spiral when the economy starts to recover. Reasonable men can differ on the exact size of the tax cut, but everyone agrees on the need for prompt action. I indicated my willingness to compromise within reasonable limits.

I regret that the Senate version of H.R. 2166 goes far beyond the purpose of providing a quick stimulus and mortgages our economic future in a way that is unacceptable to me. It is unacceptable because:

(1) The Senate version would increase the size of the tax reduction from $16 billion to more than $30 billion -- roughly doubling the impact on combined fiscal years 1975 and 1976 budget deficits already far too high. That increase must be considered in the context of other Congressional actions and inaction. If Congress continues its present pattern of rejecting the spending cuts I proposed, the deficit would grow by an <u>additional</u> $15 billion. And the minimum cost of the additional spending programs being considered in the Congress would add still another $20 billion. In combination, these Congressional actions would increase these deficits by $50 billion.

Such an enormous increase in an already substantial deficit jeopardizes the prospect of economic recovery and makes us hostage to future inflation.

(2) Although both bills incorporate billions of dollars of tax reductions which are temporary as written, they are of such a nature that they will undoubtedly continue next year and beyond. That is a sure formula for larger deficits and spiralling inflation for years to come, unless offset by other revenues or spending cuts. My proposal was for a one-year stimulant limited to $16 billion. An amount unreasonably larger than the House bill could do more harm than good.

(3) The Senate version would raise major obstacles to badly needed reforms in the tax and welfare systems. I regard both reforms as matters of high priority. Both require the most careful deliberation but not in this emergency anti-recession legislation.

(4) The Senate version distributes the federal income tax burden unfairly by eliminating too many citizens from paying any tax. My January proposal would have distributed tax cuts evenly to those who now carry the tax load. I recommend that the conferees and the members review the bills before you to be sure that they do not discriminate against middle-income Americans, who already carry the major share of the tax burden.

(5) The Senate version, in particular, has several provisions which will not contribute to economic recovery and may cost additional jobs. I have consistently urged an uncomplicated tax refund to put extra purchasing power in the hands of American taxpayers.

I urge the conferees basically to accept the House bill with minor revisions. I am prepared to work with the Committees and the Congress as long as necessary to assure the American people of a reasonable tax cut which will stimulate the economy without jeopardizing its future.

Sincerely,

GERALD R. FORD

The Honorable James O. Eastland
President pro Tempore of the Senate
Washington, D.C. 20510

cc: The Honorable Mike Mansfield
The Honorable Hugh Scott
The Honorable Russell B. Long
The Honorable Paul J. Fannin

GRF:PAT:ki

March 13, 1975

Dear Mr. President:

I am writing you while the Conference Committee is considering the House and Senate versions of H.R. 2166, the tax cut which I urged last January to stimulate the economy. Although I am most anxious to sign a bill along the lines I have proposed, I am now concerned that Congress is trying to do too much in the legislation the Conferees are considering, thereby providing an economic stimulus far beyond that which is needed.

The Conferees and the Members should understand that I will be unable to accept a bill so encumbered with extraneous amendments and of such deficit-increasing magnitude as to nullify the intended effect of a one-time stimulant.

The purpose in asking the Congress to enact a simple tax cut as quickly as possible was to stimulate the economy. I proposed temporary one-time tax cuts totalling $16 billion. My proposal was designed to provide maximum stimulus without setting the stage for a new inflationary spiral when the economy starts to recover. Reasonable men can differ on the exact size of the tax cut, but everyone agrees on the need for prompt action. I indicated my willingness to compromise within reasonable limits.

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I urge the conferees basically to accept the House bill with minor revisions. I am prepared to work with the Committees and the Congress as long as necessary to assure the American people of a reasonable tax cut which will stimulate the economy without jeopardizing its future.

Sincerely,

GERALD R. FORD

The Honorable James O. Eastland
President pro Tempore of the Senate
Washington, D.C. 20510

cc: The Honorable Mike Mansfield
The Honorable Hugh Scott
The Honorable Russell B. Long
The Honorable Paul J. Fannin

GRF:PAT:ki

TAX REDUCTION BILL - H.R. 2166

[ca. 3/25/75]

The following is a summary of action taken by the House and Senate conferees by the 6:30p.m. adjournment on Tuesday, March 25. Conferees will meet again Wednesday at 9:00 a.m.

Generally, agreement was reached on the less controversial items while compromises have not yet been worked out on the additonal reductions for individuals (increase in standard deduction, $200 optional credit in lieu of personal exemption and rate reduction for low income taxpayers), new house purchase credit, $100 payment to certain program beneficiaries, taxation of foreign source income and percentage depletion of oil and gas.

Agreement reached on:

(1) Rebate on 1974 taxes - accepted House version. 10% of tax liability up to maximum of $200, minimum of $100. $200 maximum phased down as AGI rises from $20,000 to $30,000. Revenue loss - $8.1B.

(2) Earned income credit - accepted Senate version. Refundable credit of 10% of earned income up to $400. $400 phased out as income rises from $4,000 to $8,000. Available only to families with dependent children. Better known as the "work bonus". Revenue loss - $1.5B.

(3) Child care deduction - present law allowed an itemized deduction of up to $4,800 phased out for AGI above $18,000. The AGI level was raised to $35,000. Revenue loss - $9 M.

(4) Investment Tax Credit - increased the investment tax credit for all taxpayers to 10% on a 2 year temporary basis. Also to 11% if the additional 1% is contributed to an employee stock ownership plan (ESOP). Removed $100 million cap on utilities (affected ATT only). Increased the 50% limitation for public utilities to 100% for 1975 and 1976 and then phased back at 10% a year over a 5 year period until 1981 when the 50% holds. Normalization of the ITC benefit for public utilities. Increased the limit of used property as qualified investment from $50,000 to $100,000. Allows ITC for progress payments when property takes more than two years to construct. Revenue loss - $3.39B.

(5) Corporate surtax exemption and rate reduction - increased surtax exemption from $25,000 to $50,000 and decreased the rate on the first $25,000 from 22% to 20%. Rate on second $25,000 is 22%. Revenue loss - $1.55B.

(6) Accumulated Earnings Credit - accepted Senate version. Increases the amount of accumulated earnings credit from $100,000 to $150,000. Revenue loss negligible.

(7) Net Operating Loss (NOL) - dropped in conference. Would have allowed substitution of carryover years for carryback of NOL. Present law is 3 back and 5 forward. This amendment has been tabbed the "Chrysler Amendment".

(8) Federal welfare recipients employment incentive (WIN) tax credit - generally broadens the WIN credit for employers. Revenue loss - under $3 million.

(9) Excise tax on trucks, etc. - dropped in conference. Would have repealed 10% excise tax on trucks, buses, etc. and 8% tax on related parts.

(10) Tax credit for insulation and solar equipment - dropped in conference but will be included in energy bill.

(11) Tax exemption for homeowner's associations - dropped in conference.

(12) Pension plans relative to time when contribution deemed made - allows 1974 rule for 1975. Revenue loss - none.

(13) Emergency unemployment compensation benefits - agreed to Senate allowing 13 weeks additional benefits to those who have exhausted 52 weeks of benefits. Revenue loss - $200 million.

(14) Required dying of fuel heating oil - dropped in conference - consider in energy bill.

(15) Tax Free Rollover of home purchase - agreed to Senate. Time period for rollover extended from 1 year to 18 months for purposes of nonrecognition of gain. Time for construction of new residence extended from 18 to 24 months. Revenue loss - negligible.

SUMMARY OF REVENUE EFFECTS

(As of 7:00 p.m. 3/25/75)

(billions)

Tax Rate Reductions	House	Senate	Net Change	Conference
Individuals				
(1) Rebate	8.1	9.7	+1.6	8.1
(2) Standard Ded.	5.2	-		
$200 Optional Credit	-	6.3	+3.4	
Tax Rate Reductions	-	2.3		
(3) Earned Income Credit	2.9	1.5	-1.4	1.5
(4) House Purchase Credit	-	1.1	+1.1	
(5) Child Care	-	1.7	+1.7	.090
(6) Home Insulation	-	0.7	+0.7	Dropped
Subtotal	16.2	23.3	+7.1	9.69
Business				
(1) ITC	2.4	4.3	+1.9	3.39
(2) Corp. Surtax Exempt.	1.2	1.2	-	1.55(est)
(3) Tax Rate Reductions	-	0.7	+0.7	
(4) NOL	-	0.5	+0.5	Dropped
(5) Repeal Truck Excise Tax	-	0.7	+0.7	Dropped
Subtotal	3.6	7.4	+3.8	4.94
Increased Expenditures				
(1) $100 Payment to Certain Program Beneficiaries	-	3.4	+3.4	
(2) Emergency Unemployment Benefits	-	0.2	+0.2	0.2
Subtotal	-	3.6	+3.6	0.2

Tax Rate Reductions	House	Senate	Net Change	Conference
Tax Increases				
(1) Depletion	(2.2)	(1.7)	(-0.5)	
(2) Foreign Oil Taxation	-	(1.5)	(+1.5)	
(3) Deferral of Foreign income	-	(0.5)	(+0.5)	
	(2.2)	(3.7)	(+1.5)	

I. Total Net Revenue Loss Before Conference	17.6	30.6	+13.0	

II. Total Net Revenue Loss After Conference of 3/25/75 — $24.22B

III. Reduction from Senate bill - $6.38B

STATE AND PARTY REPORT 26 MAR. 1975 7:10 PM PAGE 1

ROLL NO. 96

H RES 358 RECORDED VOTE CLOSED 26 MAR. 1975 7:09 PM

AUTHOR(S):MATSUNAGE

ON AGREEING TO THE RESOLUTION WAIVING POINTS OF ORDER AGAINST THE CONSIDERATION OF ANY CONFERENCE REPORT ON H.R.2166, TAX REDUCTION ACT OF 1975.

	AYES	NOES	PRES	NV
DEMOCRATIC	209	66		13
REPUBLICAN	31	106		7
OTHER				
TOTAL	240	172		20

ROLL NO. 96

DEMOCRATIC		**OTHER**	REPUBLICAN	
ALABAMA				
BEVILL	YEA		BUCHANAN	NAY
FLOWERS	YEA		DICKINSON	YEA
JONES (AL)	YEA		EDWARDS (AL)	YEA
NICHOLS	YEA			
ALASKA				
			YOUNG (AK)	NAY
ARIZONA				
UDALL	YEA		CONLAN	NAY
			RHODES	YEA
			STEIGER (AZ)	NAY
ARKANSAS				
ALEXANDER	YEA		HAMMERSCHMIDT	NAY
MILLS	NV			
THORNTON	YEA			
CALIFORNIA				
ANDERSON (CA)	YEA		BELL	NV
BROWN (CA)	YEA		BURGENER	NAY
BURKE (CA)	YEA		CLAUSEN, DON H.	NAY
BURTON, JOHN	YEA		CLAWSON, DEL	NAY
BURTON, PHILLIP	YEA		GOLDWATER	NAY
CORMAN	YEA		HINSHAW	YEA
DANIELSON	NAY		KETCHUM	NAY
DELLUMS	YEA		LAGOMARSINO	NAY
EDWARDS (CA)	YEA		MC CLOSKEY	NAY
HANNAFORD	YEA		MOORHEAD (CA)	NAY
HAWKINS	NV		ROUSSELOT	NAY
JOHNSON (CA)	YEA		TALCOTT	NAY
KREBS	NAY		WIGGINS	NV
LEGGETT	YEA		WILSON, BOB	YEA
LLOYD (CA)	YEA			
MC FALL	YEA			
MILLER (CA)	NAY			
MINETA	NAY			
MOSS	NAY			
PATTERSON (CA)	YEA			
REES	NAY			
ROYBAL	NAY			
RYAN	NAY			
SISK	YEA			
STARK	YEA			
VAN DEERLIN	YEA			
WAXMAN	YEA			
WILSON, C. H.	YEA			
COLORADO				
EVANS (CO)	NAY		ARMSTRONG	NAY
SCHROEDER	NAY		JOHNSON (CO)	NAY
WIRTH	NAY			

ROLL NO. 96

DEMOCRATIC		**OTHER**	REPUBLICAN	
CONNECTICUT				
COTTER	YEA		MC KINNEY	NAY
DODD	YEA		SARASIN	NAY
GIAIMO	NAY			
MOFFETT	NAY			
DELAWARE				
			DU PONT	NAY
FLORIDA				
BENNETT	YEA		BAFALIS	NAY
CHAPPELL	NAY		BURKE (FL)	NAY
FASCELL	NAY		FREY	NAY
FUQUA	NV		KELLY	NAY
GIBBONS	YEA		YOUNG (FL)	NAY
HALEY	YEA			
LEHMAN	NAY			
PEPPER	YEA			
ROGERS	YEA			
SIKES	YEA			
GEORGIA				
BRINKLEY	NAY			
FLYNT	YEA			
GINN	YEA			
LANDRUM	YEA			
LEVITAS	NAY			
MATHIS	YEA			
MC DONALD	NAY			
STEPHENS	YEA			
STUCKEY	YEA			
YOUNG (GA)	YEA			
HAWAII				
MATSUNAGA	YEA			
MINK	NAY			
IDAHO				
			HANSEN	NAY
			SYMMS	NAY
ILLINOIS				
ANNUNZIO	YEA		ANDERSON (IL)	YEA
COLLINS (IL)	NV		CRANE	NAY
HALL	YEA		DERWINSKI	NAY
METCALFE	YEA		ERLENBORN	NV
MIKVA	YEA		FINDLEY	YEA
MURPHY (IL)	YEA		HYDE	NAY
PRICE	YEA		MADIGAN	NAY
ROSTENKOWSKI	YEA		MC CLORY	YEA
RUSSO	YEA		MICHEL	NAY
SHIPLEY	NV		O'BRIEN	NAY
SIMON	YEA		RAILSBACK	NAY
YATES	YEA			

ROLL NO. 96

DEMOCRATIC		**OTHER**	REPUBLICAN	
INDIANA				
BRADEMAS	YEA		HILLIS	NAY
EVANS (IN)	NAY		MYERS (IN)	NAY
FITHIAN	YEA			
HAMILTON	YEA			
HAYES (IN)	YEA			
JACOBS	YEA			
MADDEN	YEA			
ROUSH	NAY			
SHARP	NAY			
IOWA				
BEDELL	NAY		GRASSLEY	NAY
BLOUIN	NAY			
HARKIN	YEA			
MEZVINSKY	YEA			
SMITH (IA)	YEA			
KANSAS				
KEYS	YEA		SEBELIUS	NAY
			SHRIVER	YEA
			SKUBITZ	NV
			WINN	YEA
KENTUCKY				
BRECKINRIDGE	YEA		CARTER	NV
HUBBARD	NAY		SNYDER	YEA
MAZZOLI	YEA			
NATCHER	YEA			
PERKINS	YEA			
LOUISIANA				
BOGGS	YEA		MOORE	NAY
BREAUX	YEA		TREEN	NAY
HEBERT	YEA			
LONG (LA)	YEA			
PASSMAN	NV			
WAGGONNER	YEA			
MAINE				
			COHEN	NAY
			EMERY	NAY
MARYLAND				
BYRON	YEA		BAUMAN	NAY
LONG (MD)	NAY		GUDE	NAY
MITCHELL (MD)	YEA		HOLT	NAY
SARBANES	YEA			
SPELLMAN	NAY			

ROLL NO. 96

DEMOCRATIC		**OTHER**	REPUBLICAN	
MASSACHUSETTS				
BOLAND	NAY		CONTE	NAY
BURKE (MA)	YEA		HECKLER (MA)	NAY
DRINAN	YEA			
EARLY	NAY			
HARRINGTON	YEA			
MACDONALD	YEA			
MOAKLEY	YEA			
O'NEILL	YEA			
STUDDS	NAY			
TSONGAS	YEA			
MICHIGAN				
BLANCHARD	NAY		BROOMFIELD	YEA
BRODHEAD	YEA		BROWN (MI)	NAY
CARR	NAY		CEDERBERG	NV
CONYERS	NV		ESCH	NAY
DIGGS	YEA		HUTCHINSON	NAY
DINGELL	YEA		RUPPE	NAY
FORD (MI)	NAY		VANDER JAGT	NAY
NEDZI	NAY			
O'HARA	NAY			
RIEGLE	NAY			
TRAXLER	NAY			
VANDER VEEN	YEA			
MINNESOTA				
BERGLAND	YEA		FRENZEL	NAY
FRASER	YEA		HAGEDORN	YEA
KARTH	YEA		QUIE	YEA
NOLAN	NAY			
OBERSTAR	YEA			
MISSISSIPPI				
BOWEN	YEA		COCHRAN	NAY
MONTGOMERY	NAY		LOTT	YEA
WHITTEN	YEA			
MISSOURI				
BOLLING	YEA		TAYLOR (MO)	NAY
BURLISON (MO)	YEA			
CLAY	YEA			
HUNGATE	YEA			
ICHORD	NV			
LITTON	YEA			
RANDALL	YEA			
SULLIVAN	YEA			
SYMINGTON	YEA			
MONTANA				
BAUCUS	NAY			
MELCHER	YEA			

ROLL NO. 96

DEMOCRATIC		**OTHER**	REPUBLICAN	
NEBRASKA				
			MC COLLISTER	NAY
			SMITH (NB)	NAY
			THONE	NAY
NEVADA				
SANTINI	YEA			
NEW HAMPSHIRE				
D'AMOURS	NAY		CLEVELAND	NAY
NEW JERSEY				
DANIELS (NJ)	YEA		FENWICK	YEA
FLORIO	YEA		FORSYTHE	NAY
HELSTOSKI	YEA		RINALDO	YEA
HOWARD	YEA			
HUGHES	NAY			
MAGUIRE	YEA			
MEYNER	YEA			
MINISH	YEA			
PATTEN (NJ)	YEA			
RODINO	YEA			
ROE	YEA			
THOMPSON	YEA			
NEW MEXICO				
RUNNELS	NV		LUJAN	NAY

ROLL NO. 96

DEMOCRATIC		**OTHER**	REPUBLICAN	
NEW YORK				
ABZUG	NAY		CONABLE	NAY
ADDABBO	YEA		FISH	NAY
AMBRO	YEA		GILMAN	NAY
BADILLO	YEA		HASTINGS	NAY
BIAGGI	YEA		HORTON	NAY
BINGHAM	YEA		KEMP	NAY
CHISHOLM	YEA		LENT	YEA
DELANEY	YEA		MC EWEN	NAY
DOWNEY	YEA		MITCHELL (NY)	NAY
HANLEY	YEA		PEYSER	YEA
HOLTZMAN	NAY		WALSH	YEA
KOCH	YEA		WYDLER	YEA
LAFALCE	NAY			
MC HUGH	NAY			
MURPHY (NY)	YEA			
NOWAK	NAY			
OTTINGER	YEA			
PATTISON (NY)	YEA			
PIKE	YEA			
RANGEL	YEA			
RICHMOND	YEA			
ROSENTHAL	YEA			
SCHEUER	YEA			
SOLARZ	YEA			
STRATTON	YEA			
WOLFF	YEA			
ZEFERETTI	YEA			
NORTH CAROLINA				
ANDREWS (NC)	YEA		BROYHILL	YEA
FOUNTAIN	YEA		MARTIN	NAY
HEFNER	YEA			
HENDERSON	YEA			
JONES (NC)	YEA			
NEAL	NAY			
PREYER	YEA			
ROSE	YEA			
TAYLOR (NC)	YEA			
NORTH DAKOTA				
			ANDREWS (ND)	YEA

ROLL NO. 96

DEMOCRATIC		**OTHER**	REPUBLICAN	
OHIO				
ASHLEY	YEA		ASHBROOK	NV
CARNEY	YEA		BROWN (OH)	NAY
HAYS (OH)	NV		CLANCY	NAY
MOTTL	YEA		DEVINE	NAY
SEIBERLING	YEA		GRADISON	NAY
STANTON, JAMES V.	YEA		GUYER	NAY
STOKES	YEA		HARSHA	NAY
VANIK	YEA		KINDNESS	NAY
			LATTA	NAY
			MILLER (OH)	YEA
			MOSHER	YEA
			REGULA	NAY
			STANTON, J. WILLIAM	NAY
			WHALEN	YEA
			WYLIE	NAY
OKLAHOMA				
ALBERT			JARMAN	YEA
ENGLISH	YEA			
JONES (OK)	YEA			
RISENHOOVER	YEA			
STEED	YEA			
OREGON				
AUCOIN	NAY			
DUNCAN (OR)	YEA			
ULLMAN	YEA			
WEAVER	YEA			
PENNSYLVANIA				
BARRETT	YEA		BIESTER	NAY
DENT	NV		COUGHLIN	NAY
EDGAR	NAY		ESHLEMAN	NAY
EILBERG	YEA		GOODLING	NAY
FLOOD	YEA		HEINZ	NAY
GAYDOS	YEA		JOHNSON (PA)	YEA
GREEN	YEA		MC DADE	NAY
MOORHEAD (PA)	YEA		MYERS (PA)	NAY
MORGAN	YEA		SCHNEEBELI	YEA
MURTHA	YEA		SCHULZE	NAY
NIX	YEA		SHUSTER	NAY
ROONEY	YEA			
VIGORITO	YEA			
YATRON	YEA			
RHODE ISLAND				
BEARD (RI)	NAY			
ST GERMAIN	NAY			

ROLL NO. 96

DEMOCRATIC		**OTHER**	REPUBLICAN	
SOUTH CAROLINA				
DAVIS	NAY		SPENCE	NAY
DERRICK	NAY			
HOLLAND	YEA			
JENRETTE	YEA			
MANN	NAY			
SOUTH DAKOTA				
			ABDNOR	NAY
			PRESSLER	NAY
TENNESSEE				
EVINS (TN)	NV		BEARD (TN)	NAY
FORD (TN)	YEA		DUNCAN (TN)	NAY
FULTON	YEA		QUILLEN	YEA
JONES (TN)	YEA			
LLOYD (TN)	NAY			
TEXAS				
BROOKS	YEA		ARCHER	NAY
BURLESON (TX)	YEA		COLLINS (TX)	NAY
CASEY	YEA		STEELMAN	NAY
DE LA GARZA	YEA			
ECKHARDT	YEA			
GONZALEZ	NAY			
HIGHTOWER	NV			
JORDAN	YEA			
KAZEN	NAY			
KRUEGER	NAY			
MAHON	YEA			
MILFORD	NAY			
PATMAN (TX)	YEA			
PICKLE	YEA			
POAGE	YEA			
ROBERTS	YEA			
TEAGUE	YEA			
WHITE	YEA			
WILSON, (TX)	NAY			
WRIGHT	YEA			
YOUNG (TX)	YEA			
UTAH				
HOWE	NAY			
MC KAY	YEA			
VERMONT				
			JEFFORDS	YEA
VIRGINIA				
DANIEL, DAN	NAY		BUTLER	NAY
DOWNING	YEA		DANIEL, R. W.	NAY
FISHER	YEA		ROBINSON	NAY
HARRIS	YEA		WAMPLER	NAY
SATTERFIELD	YEA		WHITEHURST	NAY

ROLL NO. 96

DEMOCRATIC		**OTHER**	REPUBLICAN	
WASHINGTON				
ADAMS	YEA		PRITCHARD	NAY
BONKER	YEA			
FOLEY	YEA			
HICKS	YEA			
MC CORMACK	YEA			
MEEDS	YEA			
WEST VIRGINIA				
HECHLER (WV)	NAY			
MOLLOHAN	YEA			
SLACK	YEA			
STAGGERS	YEA			
WISCONSIN				
ASPIN	YEA		KASTEN	NAY
BALDUS	YEA		STEIGER (WI)	NAY
CORNELL	NAY			
KASTENMEIER	YEA			
OBEY	YEA			
REUSS	YEA			
ZABLOCKI	YEA			
WYOMING				
RONCALIO	YEA			

* * * * * * * E N D O F R E P O R T * * * * * * *

COMPLETE VOTE RESULTS 26 MAR. 1975 11:44 PM PAGE 1

ROLL NO. 99

H R 2166 YEA-AND-NAY CLOSED 26 MAR. 1975 11:40 PM

AUTHOR(S):ULLMAN

AGREEING TO CONFERENCE REPORT

TAX REDUCTION ACT, 1975

YEA	NAY	PRES	NV
287	125		20

ROLL NO. 99

YEAS - 287

ABZUG	CORMAN	HAMILTON
ADAMS	CORNELL	HAMMERSCHMIDT
ADDABBO	COTTER	HANLEY
AMBRO	D'AMOURS	HANNAFORD
ANDERSON (IL)	DANIELS (NJ)	HARKIN
ANDREWS (NC)	DANIELSON	HARRINGTON
ANDREWS (ND)	DAVIS	HARRIS
ANNUNZIO	DE LA GARZA	HAYES (IN)
ASHLEY	DELANEY	HEBERT
ASPIN	DELLUMS	HECHLER (WV)
AUCOIN	DERRICK	HECKLER (MA)
BADILLO	DIGGS	HEFNER
BALDUS	DINGELL	HEINZ
BARRETT	DODD	HELSTOSKI
BAUCUS	DOWNEY	HENDERSON
BEARD (RI)	DRINAN	HILLIS
BEDELL	DUNCAN (OR)	HINSHAW
BERGLAND	EARLY	HOLLAND
BIAGGI	ECKHARDT	HOLTZMAN
BIESTER	EDGAR	HORTON
BINGHAM	EDWARDS (CA)	HOWARD
BLANCHARD	EILBERG	HOWE
BLOUIN	EMERY	HUBBARD
BOGGS	ESCH	HUGHES
BOLAND	EVANS (CO)	HUNGATE
BOLLING	EVANS (IN)	JACOBS
BONKER	FASCELL	JEFFORDS
BOWEN	FENWICK	JENRETTE
BRADEMAS	FISH	JOHNSON (CA)
BRECKINRIDGE	FISHER	JOHNSON (PA)
BRODHEAD	FITHIAN	JONES (NC)
BROOKS	FLOOD	JONES (TN)
BROOMFIELD	FLORIO	JORDAN
BROWN (CA)	FOLEY	KARTH
BROWN (OH)	FORD (MI)	KASTEN
BROYHILL	FORD (TN)	KASTENMEIER
BURKE (CA)	FOUNTAIN	KEYS
BURKE (MA)	FRASER	KOCH
BURTON, JOHN	FRENZEL	KREBS
BURTON, PHILLIP	FULTON	LAFALCE
CARNEY	GAYDOS	LAGOMARSINO
CARR	GIBBONS	LANDRUM
CARTER	GILMAN	LEGGETT
CHISHOLM	GRADISON	LEHMAN
CLAUSEN, DON H.	GRASSLEY	LENT
CLAY	GREEN	LEVITAS
COHEN	GUDE	LITTON
CONTE	HALL	LLOYD (CA)

ROLL NO. 99

LLOYD (TN)	OBERSTAR	SISK
LONG (LA)	OBEY	SLACK
MACDONALD	OTTINGER	SMITH (IA)
MADDEN	PATMAN (TX)	SMITH (NB)
MADIGAN	PATTEN (NJ)	SOLARZ
MAGUIRE	PATTERSON (CA)	SPELLMAN
MANN	PATTISON (NY)	ST GERMAIN
MATSUNAGA	PEPPER	STAGGERS
MAZZOLI	PERKINS	STANTON, J. WILLIAM
MC CLORY	PEYSER	STANTON, JAMES V.
MC CORMACK	PICKLE	STARK
MC DADE	PIKE	STEIGER (WI)
MC FALL	PRESSLER	STEPHENS
MC HUGH	PREYER	STOKES
MC KAY	PRICE	STRATTON
MEEDS	PRITCHARD	STUCKEY
MELCHER	RAILSBACK	STUDDS
METCALFE	RANDALL	SULLIVAN
MEYNER	RANGEL	SYMINGTON
MEZVINSKY	REGULA	TAYLOR (NC)
MIKVA	REUSS	THOMPSON
MILLER (CA)	RICHMOND	THONE
MINETA	RIEGLE	TRAXLER
MINISH	RINALDO	TSONGAS
MINK	RISENHOOVER	UDALL
MITCHELL (MD)	RODINO	ULLMAN
MITCHELL (NY)	ROE	VAN DEERLIN
MOAKLEY	ROGERS	VANDER VEEN
MOFFETT	RONCALIO	VANIK
MOLLOHAN	ROONEY	VIGORITO
MOORHEAD (PA)	ROSE	WALSH
MORGAN	ROSENTHAL	WAXMAN
MOSHER	ROSTENKOWSKI	WEAVER
MOSS	ROUSH	WHALEN
MOTTL	ROYBAL	WHITE
MURPHY (IL)	RUPPE	WILSON, C. H.
MURPHY (NY)	RUSSO	WINN
MURTHA	RYAN	WIRTH
MYERS (IN)	SANTINI	WOLFF
NATCHER	SARBANES	WRIGHT
NEAL	SCHEUER	WYDLER
NEDZI	SCHROEDER	YATES
NIX	SEIBERLING	YATRON
NOLAN	SHARP	YOUNG (AK)
NOWAK	SHIPLEY	YOUNG (GA)
O'BRIEN	SHRIVER	ZABLOCKI
O'HARA	SHUSTER	ZEFERETTI
O'NEILL	SIMON	

ROLL NO. 99

NAYS - 125

ABDNOR	FLOWERS	MILFORD
ALEXANDER	FLYNT	MILLER (OH)
ANDERSON (CA)	FORSYTHE	MONTGOMERY
ARCHER	FREY	MOORE
ARMSTRONG	GIAIMO	MOORHEAD (CA)
BAFALIS	GINN	MYERS (PA)
BAUMAN	GOLDWATER	NICHOLS
BEARD (TN)	GONZALEZ	POAGE
BENNETT	GOODLING	QUIE
BEVILL	GUYER	QUILLEN
BREAUX	HAGEDORN	RHODES
BRINKLEY	HALEY	ROBERTS
BROWN (MI)	HANSEN	ROBINSON
BUCHANAN	HARSHA	ROUSSELOT
BURGENER	HASTINGS	SARASIN
BURKE (FL)	HICKS	SATTERFIELD
BURLESON (TX)	HOLT	SCHNEEBELI
BURLISON (MO)	HUTCHINSON	SCHULZE
BUTLER	HYDE	SEBELIUS
BYRON	JARMAN	SIKES
CASEY	JOHNSON (CO)	SNYDER
CHAPPELL	JONES (AL)	SPENCE
CLANCY	JONES (OK)	STEED
CLAWSON, DEL	KAZEN	STEELMAN
CLEVELAND	KELLY	STEIGER (AZ)
COCHRAN	KEMP	SYMMS
COLLINS (TX)	KETCHUM	TALCOTT
CONABLE	KINDNESS	TAYLOR (MO)
CONLAN	KRUEGER	TEAGUE
COUGHLIN	LATTA	THORNTON
CRANE	LONG (MD)	TREEN
DANIEL, DAN	LOTT	VANDER JAGT
DANIEL, R. W.	LUJAN	WAGGONNER
DERWINSKI	MAHON	WAMPLER
DEVINE	MARTIN	WHITEHURST
DOWNING	MATHIS	WHITTEN
DU PONT	MC CLOSKEY	WILSON, BOB
DUNCAN (TN)	MC COLLISTER	WILSON, (TX)
EDWARDS (AL)	MC DONALD	WYLIE
ENGLISH	MC EWEN	YOUNG (FL)
ESHLEMAN	MC KINNEY	YOUNG (TX)
FINDLEY	MICHEL	

ROLL NO. 99

PRESENT -

ROLL NO. 99

NOT VOTING - 20

ASHBROOK	ERLENBORN	MILLS
BELL	EVINS (TN)	PASSMAN
CEDERBERG	FUQUA	REES
COLLINS (IL)	HAWKINS	RUNNELS
CONYERS	HAYS (OH)	SKUBITZ
DENT	HIGHTOWER	WIGGINS
DICKINSON	ICHORD	

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