

The original documents are located in Box 39, “10/4/76 - Remarks Upon the Signing of H.R. 10612: Tax Reform Act of 1976” of the President’s Speeches and Statements: Reading Copies at the Gerald R. Ford Presidential Library.

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THE PRESIDENT HAS SEEN. . . .

PRESIDENTIAL REMARKS AT TAX REVISION BILL SIGNING

MONDAY, OCTOBER, 4, 1976

TODAY I AM SIGNING THE TAX REFORM ACT OF 1976.

IT INCLUDES MANY PROVISIONS WHICH I HAVE SUPPORTED FOR

A LONG TIME. IT INCLUDES A FEW WHICH I OPPOSE. ON

BALANCE, HOWEVER, THIS LEGISLATION IS SOUND, POSITIVE,

AND LONG OVERDUE.

THIS BILL RAISES THE MINIMUM TAX PAID BY HIGH INCOME

PERSONS AND ELIMINATES OR RESTRICTS MANY TAX SHELTERS.

THESE ACTIONS ARE CONSISTENT WITH MY FIRM SUPPORT OF

MEASURES DESIGNED TO CLOSE THESE LOOPHOLES AND ENSURE THAT

EACH TAXPAYER BEARS HIS OR HER FAIR SHARE OF THE OVERALL

TAX BURDEN.

I AM ALSO GRATIFIED THAT THE CONGRESS HAS ADOPTED MY
PROGRAM OF ESTATE TAX RELIEF. THIS INCLUDES MY PROPOSALS
TO INCREASE THE BASIC ESTATE TAX EXEMPTION FROM SIXTY
THOUSAND DOLLARS TO THE EQUIVALENT OF 175 THOUSAND DOLLARS
AND TO LIBERALIZE THE MARITAL DEDUCTION FOR THE TRANSFER OF
PROPERTY BETWEEN SPOUSES. IT ALSO PROVIDES SPECIAL
RELIEF TO THE OWNERS OF FAMILY FARMS AND BUSINESSES SO THAT
THEIR HEIRS ARE NOT FORCED TO LIQUIDATE THESE ENTERPRISES
IN ORDER TO PAY ESTATE TAXES.

DESPITE THE MANY PLUSES OF THIS TAX BILL IT FAILS
TO MAKE SEVERAL IMPORTANT AND NECESSARY CHANGES IN OUR TAX
STRUCTURE.

FIRST, THE BEST KIND OF TAX REFORM IS TAX REDUCTION.

LOW AND MIDDLE-INCOME AMERICANS CURRENTLY PAY EXCESSIVE

TAXES. THIS ACT DOES TEMPORARILY EXTEND THE TAX

REDUCTIONS I INITIATED LAST YEAR. BUT IT FAILS TO INCLUDE

MY PROPOSALS FOR PERMANENT DEEPEDED TAX CUTS. IN

PARTICULAR, I AM DISAPPOINTED THAT THE CONGRESS DID NOT

REDUCE INDIVIDUAL INCOME TAXES BY THE ADDITIONAL 10 BILLION

DOLLARS I RECOMMENDED.

EQUIVALENT REDUCTIONS IN SPENDING - WHICH CONGRESS
WAS UNWILLING TO MAKE - WOULD HAVE ENABLED THEM TO PASS
THOSE PERMANENT CUTS. ACCORDINGLY, I WILL AGAIN

URGE CONGRESS NEXT YEAR TO INCREASE THE PERSONAL INCOME
TAX EXEMPTION FROM 750 DOLLARS TO ONE THOUSAND DOLLARS.

SECOND, INCREASED INVESTMENT THROUGH APPROPRIATE

TAX INCENTIVES IS ABSOLUTELY ESSENTIAL TO CREATE PRODUCTIVE

JOBS IN THE PRIVATE SECTOR. SUCH TAX INCENTIVES

CAN HELP FOCUS INVESTMENT IN THOSE AREAS WHERE NEW

JOBS ARE NEEDED MOST. I WILL AGAIN PROPOSE THAT

CONGRESS GRANT SPECIAL TAX BENEFITS IN THE FORM OF

ACCELERATED DEPRECIATION FOR NEW PLANTS AND EQUIPMENT

IN AREAS OF HIGH UNEMPLOYMENT. I WILL ALSO STRONGLY

RECOMMEND ENACTMENT OF SEVERAL OTHER TAX MEASURES TO AID

IN CAPITAL FORMATION AND JOB CREATION.

THE BILL THAT REACHED MY DESK IS FAR FROM PERFECT.

BUT IT DOES GO A LONG WAY TOWARDS RESTORING COMMON SENSE

AND EQUITY TO OUR TAX SYSTEM. I WILL CONTINUE TO WORK

FOR A BETTER BREAK FOR LOW AND MIDDLE-INCOME TAXPAYERS.

END OF TEXT