

FOR IMMEDIATE RELEASE

OCTOBER 4, 1976

## OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

## REMARKS OF THE PRESIDENT

UPON SIGNING H.R. 10612

THE TAX REFORM ACT OF 1976

THE OVAL OFFICE

12:18 P.M. EDT

Today I am signing the Tax Reform Act of 1976. It includes many provisions which I supported for a long, long time. It includes a few which I oppose.

On balance, however, the 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 the loopholes and insure 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 \$60,000 to the equivalent of \$175,000, 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 family 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 Federal taxes.

This Act does temporarily extend the tax reductions I initiated last year. But it fails to include my proposals for permanent deeper tax cuts.

In particular, I am disappointed that the Congress did not reduce individual income taxes by the additional \$10 billion that 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 exemption from \$750 to \$1,000.

MORE

(OVER)

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 toward restoring common sense and equity in our Federal tax system. I will cooperate to work for a better break for low and middle income taxpayers.

I trust you have noted the size of this tax bill.

Thank you very much.

END (AT 12:23 P.M. EDT)