

THE HONORABLE DAN CLAITOR
 WILLIAM H. ROBERTS
 JOHN C. DANFORTH
 JOHN H. CHAFFE
 JOHN A. WING
 DAVID M. ALLEN
 DAVID DUNLAP
 WILLIAM L. ANASTASIO
 STEVEN D. STUMPS
 CHARLES L. GRASSLEY
 RUSSELL B. LONG
 LYDIA H. HAYDEN
 STEVEN M. MATSUZAKI
 DANIEL PATRICK MOYNIHAN
 MAX BAUCUS
 DAVID L. BOWEN
 BIL CLAYTON
 GEORGE J. MITCHELL
 DAVID FRYDR

United States Senate
 COMMITTEE ON FINANCE
 WASHINGTON, DC 20510

WILLIAM DIFFENDERFER, CHIEF OF STAFF
 MICHAEL STERN, MINORITY STAFF DIRECTOR

March 21, 1986

The Honorable Robert Packwood
 Senate Finance Committee
 SD-219
 Washington, DC 20510

Dear Mr. Chairman:

We are writing to request hearings on your proposals to increase and change the method of determining excise tax liability and on your proposal to deny businesses a deduction for excise tax and tariff payments.

Because these provisions are designed to collect \$75 billion over the next five years, they represent an integral part of the tax reform plan that is before the Finance Committee. Yet there is a considerable difference of opinion as to the effect this would have on businesses and consumers; whether the tax increase would flow through to the consumed products or be absorbed by the business taxpayer. We believe you will agree that, regardless of the effect of these excise tax proposals, the Committee will profit from a better understanding of the issue.

We are well aware of the time constraints the Committee is operating under, but we believe it is very important to hold these hearings as early as possible in the markup process so that we may know where the Committee stands on this important issue. We request that a hearing be scheduled during the first week after we return from the Easter recess.

Thank you for your consideration of this request.

Sincerely,

The Honorable Robert Packwood
March 21, 1986
Page Two

Bill Kohl

Chuck Grassley

Don Wicker

↓

Max Baucus

Frank Lautenberg