



League of United Latin American Citizens

Office of National President
OSCAR MORAN

March 24, 1986

The Honorable Robert Packwood
Senate Finance Committee, Chairman
259 Senate Russell Office Building
Washington, D.C. 20510

Dear Senator Packwood:

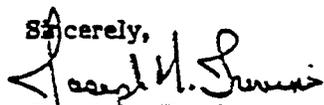
The League of United Latin American Citizens (LULAC), this country's oldest and largest Hispanic membership organization, has long been on record in favor of reform which makes our tax laws fair and equitable for all citizens. Indeed, last year I presented those views during the Senate Finance Committee hearings which you chaired. For your review and consideration, I have enclosed a copy of LULAC's Economic Analyses Review 1981 - 1984 Implications for Hispanic Americans

It is for these reasons that we anticipated and carefully reviewed the tax cuts, known as the "Packwood Plan", with the hope that they would provide low and middle-income Hispanic-Americans relief from excessive taxation. Unfortunately, as proposed, the "cuts" in the plan would adversely affect low and middle-income Hispanic-Americans by increasing the already excessive federal excise taxes. As you may recall, at that hearing, I pointed out that excise taxes unfairly and disproportionately affect low and middle income workers. For example, the "Packwood Plan" includes tax hikes for such necessities as diesel and gasoline fuel, apparel and tires. As you can imagine, persons fortunate enough to be employed require these products to maintain their jobs. These tax hikes could foreseeably tax them out of work or into poverty. Rather than taxing low and middle-income Americans, we should devise a plan to have corporate freeloaders share the tax burden.

Further, in 1982 during consideration of the Tax Equity and Fiscal Responsibility Act (TEFRA), LULAC publicly opposed provisions dealing with excise taxes on cigarettes, alcohol, airline transportation and telephone use. The "Packwood Plan" contains such tax hikes. For this reason, and those mentioned above, LULAC will actively oppose the tax "reform" proposal as proposed.

With nothing else, I look forward to hearing your comments.

Sincerely,


Joseph M. Trevino
Executive Director

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