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urry A. Lopez secutive Vice President The Honorable Robert Packwood U. S. Senate Washington, D.C. 20510

Dear Senator Packwood:

The federal tax reform plan being advocated by you as chairman of the Senate Pinance Committee proposes changes that are not in the interest of American small businessmen and women. Your proposal to remove the excise tax as a business expense will create a tax on a tax and fan inflation in the economy. This action is not in keeping with the promises of the President "not" to raise taxes.

Your proposed tax plan provides Hispanic businesses no option but to pass on the added cost of doing business to the consumer. Just when Hispanic citizens were beginning to enjoy the benefits of an improving economy and lower gasoline prices, your plan will artificially inflate the cost of gasoline, tires, air travel, tobacco products and alcoholic beverages.

This proposal would appear to single out middle and lower income citizens, especially Hispanics, to carry the burden of tax reform. Just as importantly, this proposal would have an adverse effect on the development of local Hispanic businesses and the economy.

As presently written, the California Hispanic Chambers of Commerce must oppose the tax reform plan being advocated by your committee and we urge your reconsideration of the proposed removal of the excise tax. Thank you for your attention to this matter.

Sincerely.

ROY JASSO, State President

RJ: TC

cc: Honorable Alan Cranston Honorable Pete E. Wilson

A Statewide Hispanic Business Trade Association