9-29-1972

Personal Depletion Allowance (People Depletion Tax) S. 4046

Mike Mansfield 1903-2001

Let us know how access to this document benefits you.
Follow this and additional works at: https://scholarworks.umt.edu/mansfield_speeches

Recommended Citation

This Speech is brought to you for free and open access by the Mike Mansfield Papers at ScholarWorks at University of Montana. It has been accepted for inclusion in Mike Mansfield Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.
STATMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS 

By Mr. MANSFIELD (for himself and Mr. AIKEN): 

S. 4046. A bill to amend the Internal Revenue Code of 1954 to provide a personal depletion allowance deduction for individuals. Referred to the Committee on Finance. 

Mr. MANSFIELD. Mr. President, at our breakfast meetings, the distinguished Senator from Vermont (Mr. AIKEN), the senior Senator in this body in terms of service, and I, have been discussing a number of propositions dealing with the welfare and the well-being of the people of this Nation as a whole. 

As a result, we are going to introduce legislation this morning which we hope will be given consideration and will be passed. 

Mr. President, it is difficult to question basic assumptions. It is hard to analyze the obvious because the obvious is what we have become accustomed to, as a part of the way things are. But when one can break the cycle and reflect, the obvious is sometimes sad. 

The emphasis that we as a nation have placed upon lining up people—economic growth over social good, on the protection of tangible assets—could lead one who is not blinded by the obvious to ask whether our emphasis is misplaced. 

It seems to have always been thus: As an oil well is used up, we give the owner a depletion allowance to compensate him for his lost asset. We do the same for gravel and the other minerals— it is an accepted practice. 

But there is no depletion allowance for the people—the greatest asset—as they wear out. Our social security system, although providing only a bare subsistence, was an enormous breakthrough. But what of the man and woman whose toll does not permit them to reach that period of life? The man and woman who are made old before their time—the man who stokes the fires of a steel mill or digs the minerals from the bowels of the earth, and the woman who, likewise, engages in difficult work, should be considered. Their bodies and spirits can be exhausted long before the age of general retirement. 

Every job has its cost. The manual laborer may be physically depleted before the office worker; white-collar workers may be psychologically depleted before the statutory age of retirement; the assembly-line employee may be dehumanized long before his statutory retirement age. 

This Nation must put at least as great emphasis on people as it does on oil, land, coal, and other such assets. A depletion allowance for people in their occupation must be established, and this the greatest national resource of all, must have greater emphasis. 

Today, Senator AIKEN and I are introducing a bill that will provide a depletion allowance for the working man and woman. The allowance will be in the form of a tax deduction on the Federal income tax for income earned through wages. It will provide for a minimum deduction of 10 percent of wages earned and can rise to 25 percent for those occupations which are determined by the Secretary of the Treasury to extract a greater measure of the working life of a person. The figure of 25 percent was chosen because it is 5 percent higher than the highest depletion allowance presently provided in the tax code—the depletion allowance for oil. 

Mr. President, this is not an original idea on the part of the Senator from Vermont or myself, but we would hope that the Senate will have the opportunity to vote on this measure because we think it may lead us to consider where the emphasis of our national policy should be. 

Mr. President, I ask unanimous consent, on behalf of the distinguished Senator from Vermont (Mr. AIKEN) and myself, that the bill we are introducing this morning be printed in the Record. 

There being no objection, the bill was ordered to be printed in the Record, as follows: 

S. 4046  

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter I of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 219 as 220, and by adding after section 219 the following new section: 

"(b) DETERMINATION OF AMOUNT.—  

(1) In the case of an individual who has attained the age of 45 before the close of the taxable year, there shall be allowed as a deduction for the taxable year an amount equal to 10 percent of the excess of the individual's earned income for that taxable year over the amount (which shall be determined the same for gravel and the other minerals) prescribed under subsection (a) for any taxable year. 

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any taxable year is— 

(A) except as provided in subparagraph (A) of section 16330, 10 percent, plus one percent for each year in excess of 45 attained by the individual before the close of the taxable year, or 

(B) in the case of any individual (B) more than half of whose earned income is derived from a physically hazardous occupation, the percentage determined by paragraph (3) for that occupation, plus one percent for each year in excess of 45 attained by the individual before the close of the taxable year. 

In no case shall the applicable percentage exceed 25 percent. 

(3) PHYSICALLY HAZARDOUS OCCUPATION.—For purposes of paragraph (2), the term 'physically hazardous occupation' means an occupation which exposes an individual en­countered in the course of his employment to physical hazards, or otherwise resulting in physical disability or death at an age which is substan­tially lower than the average age at death for the United States generally. The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section." 

We allow deductions on farm machinery up to so many years. I think it is about 8 years. We allow deductions for organizations, a large part of whose incomes may go to pay excessive salaries. We allow deductions on the automobile which is used in business, 40 percent the first year, 20 percent the next year, and so on. 

We allow deductions on farm machinery up to so many years. I think it is about 8 years. We allow deductions on foreign radio systems, like RFE and Radio Liberty. We allow deductions on contributions to political campaigns. I think it is $100. One can deduct half of it from his income. 

Particularly do we allow deductions or depletion allowances on resources which are considered to be exhaustible, like oil wells, mines, and quarries which the distinguished Senator from Montana has mentioned. 

Mr. President, there are those who will say that this idea, if put into action, will cost millions of dollars. Well, what are we paying now? Our welfare bills come to unheard of billions of dollars. I do not believe that any Senator can estimate what the cost of welfare really is for health, medicaid, and medicare, and all health benefits, and all kinds of aid to poverty-stricken people. 

But we do not allow any deductions for the failing ability of a human being to earn. 

Only yesterday, I received a letter from a man who is in failing health. He can continue to work, but he cannot do the work he used to do, and therefore, he cannot get employment. This will seriously affect him. I thought his letter was timely. 

We allow deductions on industrial ma-
chinery, but no deductions for the failing health of the people who operate that machinery.

Thus, Mr. President, I am more than glad to cosponsor the bill with the distinguished Senator from Montana, the majority leader. I think we should ask ourselves: Are trucks, foreign radios, systems, and industrial machines more important than people?

Mr. MANSFIELD. I thank the Senator from Vermont.