

University of Montana

ScholarWorks at University of Montana

Mike Mansfield Speeches, Statements and Interviews

Mike Mansfield Papers

9-29-1972

Personal Depletion Allowance (People Depletion Tax) S. 4046

Mike Mansfield 1903-2001

Follow this and additional works at: https://scholarworks.umt.edu/mansfield_speeches

Let us know how access to this document benefits you.

Recommended Citation

Mansfield, Mike 1903-2001, "Personal Depletion Allowance (People Depletion Tax) S. 4046" (1972). *Mike Mansfield Speeches, Statements and Interviews*. 1065.

https://scholarworks.umt.edu/mansfield_speeches/1065

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, Statements and Interviews by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

STATEMENTS 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 things over people—on 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 toil 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 an emphasis on people as it does on oil, land, coal, and other such assets. A depletion allowance for people in their occupations 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 23 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 23 percent was chosen because it is 1 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 might bring back into balance 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 1 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 218 the following new section:

“SEC. 219. PERSONAL DEPLETION ALLOWANCE FOR INDIVIDUALS.

“(a) IN GENERAL.—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 (determined under subsection (b)) for the personal depletion of that individual due to physical, mental, and emotional stress incurred in connection with the production of income during that year.

“(b) DETERMINATION OF AMOUNT.—

“(1) IN GENERAL.—The amount of the deduction allowable to an individual under subsection (a) for any taxable year is an amount equal to the applicable percentage of that individual's earned income for that 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), 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 an individual more than half of whose earned income is derived from a physically hazardous occupation, the percentage prescribed under 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 23 percent.

“(3) PHYSICALLY HAZARDOUS OCCUPATION.—For purposes of paragraph (2), the term ‘physically hazardous occupation’ means an occupation which exposes an individual engaged therein to substantial physical hazards ordinarily resulting in either physical disability or death at an age which is substan-

tially lower than the average age at death for the United States generally. The Secretary or his delegate shall, by regulations, prescribe for each physically hazardous occupation a percentage of not less than 11 percent or more than 23 percent.

“(c) LIMITATION.—The amount of the deduction allowable under subsection (a) for any taxable year shall not exceed \$1,000.

“(d) DEFINITION OF EARNED INCOME.—For purposes of this section, the term ‘earned income’ has the meaning given that term by section 911(b).

“(e) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.”

(b) The table of sections for such part VII is amended by striking out the last item and inserting in lieu thereof the following:

“Sec. 219. Personal depletion allowance for individuals.

“Sec. 220. Cross references.”

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1972.

Mr. AIKEN. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I should like to say that this country has been in existence for about 200 years, so it is about time we realize what our most valuable assets and resources are in this country—that is, its people.

We allow deductions from taxes for so many, many things. 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; it used to be 3.

We allow deductions for taxes on contributions made to foreign radio systems, like RFE and Radio Liberty.

We allow deductions on contributions to political campaigns up to, 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 untold billions of dollars. I do not believe that any Senator can estimate what the cost of welfare really is for health, medicare and medicaid, and other health benefits, and other 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-

September 29, 1972

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.

STATEMENT OF SENATOR MANSFIELD AND SENATOR MANSFIELD

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.

Mr. Mansfield. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery. I am pleased to announce that I have introduced a bill to amend the Internal Revenue Code of 1954 to provide a new deduction for the cost of certain industrial machinery.