

News
From _____

Nick Rahall

WEST VIRGINIA-4th DISTRICT

FOR IMMEDIATE RELEASE
August 6, 1986CONTACT: Jerry Burkot
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RAHALL URGES ROSTENKOWSKI TO PROTECT W. VA. INTERESTS IN TAX TALKS

Washington, D.C. -- U.S. Rep. Nick Rahall (D-WV) has contacted Dan Rostenkowski, chairman of the tax reform conference, expressing his concern for a provision of the bill which would adversely affect workers in southern West Virginia.

In a letter to Rostenkowski, Rahall urged that Rostenkowski work for inclusion in the final tax reform package a provision which would retain the "title passage" rule, the loss of which would hinder the ongoing effort at beefing up the U.S. export market. Directly affected would be, among others, Huntington Alloys, which could suffer an annual loss of up to 20% of its export market should the title passage rule be replaced. This provision would adversely affect some 1200 employees of Huntington Alloys in southern West Virginia alone, in addition to many others nationwide.

"One of the most important problems facing America is how to expand U.S. exports," Rahall wrote. "Expansion is critical to creating new jobs and spurring the economy to higher growth levels. We in Congress should be doing everything in our power to promote this expansion. At a time when American competitiveness in export markets is under siege, no additional burdens should be placed on U.S. exports."

Under current law, the source of income from sale of inventory property is at the location where the sale occurs, i.e., where title passes -- the "title passage" rule. The elimination of this provision places an added burden on companies with regard to taxes on inventory sold.

The conferees are currently still meeting to hammer out an agreement on a bill reconciling the differences in the tax reform bills passed by the House and Senate.

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Congress of the United States
House of Representatives
Washington, DC 20515

August 5, 1986

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The Honorable Dan Rostenkowski
U.S. House Of Representatives
1102 Longworth House Office Bldg.
Washington, D.C. 20515

NJR letter to the conferees

Dear Mr. Chairman:

This letter is to express my deep concern over the provision in the House tax bill which would repeal the "title passage rule" for sourcing income on sales of inventory property and replace it with a residence rule. As the Senate recognized in retaining the title passage rule, its repeal would severely affect the ability of U.S. business to compete effectively in foreign markets.

One of the most important problems facing America is how to expand U.S. exports. Expansion is critical to creating new jobs and spurring the economy to higher growth levels. We in Congress should be doing everything in our power to promote this expansion. At a time when American competitiveness in export markets is under siege, no additional burdens should be placed on U.S. exports.

Repealing the title passage rule would place another obstacle in the path of export expansion--indeed, it would seriously harm our present export industries. No matter how logical repeal may appear to tax policy "purists," it makes no sense, in the context of job creation and retention and promotion of U.S. trade, to adopt a measure that, as a practical matter, will damage U.S. trade growth. If the House provision is adopted, you can be assured that it will result in substantial losses to jobs and business in West Virginia, Connecticut, Kentucky, Pennsylvania, North Carolina, New Jersey, and indeed throughout the Nation.

I urge you, as the chairman of the conference on tax reform, to follow the Senate and retain the title passage rule of present law. The revenue that would be raised from repeal cannot be justified in the face of the damage that would result to U.S. trade and employment.

May I also take this opportunity to encourage you to support the compromise provision on the branch-level tax as worked out by the staffs of the House Ways and Means and Senate Finance Committees. This is a fair resolution of the differences between the House and Senate bills on this issue.

The Honorable Dan Rostenkowski

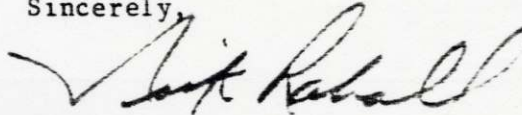
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Mr. Chairman, I commend you on your efforts to achieve fair and responsible tax reform. In this vein, I appreciate your consideration of my concerns and look forward to learning your thoughts on these issues.

With warm regards, I am

Sincerely,

A handwritten signature in dark ink, appearing to read "Nick Rahall", with a stylized flourish at the end.

NICK J. RAHALL, II
Member of Congress

NJR/med

List of Congressmen with
Inco Facilities in Districts

<u>Congressman</u>	<u>Inco Facility</u>	<u>Employees</u>
NO Sam Gejdenson D-CT. SALLY FARRELL 5-2076 1410	Turbo Products Inter- national, Inc., Ivoryton, CT.	200
NO Carl Perkins D-KY. OMER WADDLES 54935 1004	Inco Alloys International Burnaugh, KY.	189
William Coyne D-PA. COLEMAN CONROY 52301 424	Pittsburgh Pacific Processing Company Pittsburgh, PA.	12
YES Thomas Ridge R-PA. GARY GRIFFITH 5-5406 1714	International Metals Reclamation Company Ellwood City, PA.	36
Charles Rose D-NC. RED SWIFT 52731 2230	LaQue Center for Corrosion Technology, Inc. Wrightsville Beach, NC	30
James Broyhill R-NC.	Inco Alloys International Welding Products Newton, NC	53
Marge Roukema R-NJ. WENDY LEAVITT 54465 303	Inco, Inc. Saddle Brook, NJ.	30
	Novamet and Inco Selective Surfaces, Inc. Wyckoff, NJ.	14

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