

News
From _____

Nick Rahall

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FOR IMMEDIATE RELEASE
SEPTEMBER 29, 1987CONTACT: JERRY BURKOT
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RAHALL FIGHTS FOR BLACK LUNG PROGRAM

WASHINGTON, D.C. - U.S. Rep. Nick J. Rahall (D-WV) today sent a letter to Ways and Means Committee Chairman Dan Rostenkowski urging the tax writing committee to not consider taxing black lung benefits or increasing the black lung excise tax as part of its budget bill. The Rahall letter was cosigned by 24 House Members.

The Reagan Administration has proposed to include black lung benefits as taxable income and to raise the coal excise tax by 65%. The House tax writing committee is preparing to act on legislation to raise revenues to reduce the federal budget deficit and is considering all Administration proposals.

According to Rahall's letter, the proposal to tax black lung benefits "is so mean spirited that it defies the imagination." Rahall argues that black lung benefits should not be taxed since they represent compensation due to an illness. "These are modest subsistence payments and not net income replacement," Rahall wrote noting that a disabled miner receives on the average less than \$5,000 per year in black lung benefits while a miner with three or more dependents only receives \$8,000 per year.

Rahall also took issue with the Administration's proposal to increase coal taxes. "An additional tax increase would put many marginally profitable coal producers out of business. This would lead to less coal production and, consequently, a decline in tonnage that is subject to the excise tax," Rahall said. "The result would be a greater deficit in the Black Lung Trust Fund."

While the congressman fully supports budget reduction efforts, he noted that they should not be made at the expense of disabled workers who spent years involved in the dangerous occupation of coal mining. Rahall also noted that the coal industry was subject to a massive tax increase in last year's tax reform act and simply cannot weather a 65% increase in the black lung excise tax at this time. "The bottom line is that this tax is simply not necessary as the Black Lung Trust Fund is on the road to solvency without it," said Rahall.