

Bill to Increase Tax Exemption Introduced

A bill to increase from \$600 to \$1,000 the personal income tax exemption of a taxpayer was introduced last week by Senator Ernest Gruening (D-Alaska).

The bill would include exemptions for a spouse, a dependent and for old age or blindness, now allowed under the Internal Revenue Code, Senator Gruening said.

"Taxpayers in my state of Alaska, more than most," he said, "suffer a disadvantage from the \$600 personal income tax exemption provision. The cost of living in Alaska is nowhere less

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than 20% higher than the highest in any other state in the Union. Accordingly, the \$600 exemption, which is inadequate in the other 49 states, is intolerable in Alaska."

He maintained that the \$600 exemption was fixed in the distant past at a time when that amount of money might have provided sustenance for a resident of the United States and each member of his family.

"As we all know," he said, "that time has long since passed. Yet the \$600 exemption has never been increased to a realistic level."

"We are all aware," Senator Gruening continued, "that the sum of \$50 a month is woefully inadequate

to cover the many expenses involved in rearing a child or feeding, clothing and otherwise supporting a wife. In fact, agencies of our government have found officially that expenditure of \$600 a year per capita for a family would place it far below the poverty level."

Even though legislation dealing with revenues must under the Constitution be acted upon first in the House of Representatives, Senator Gruening introduced the bill in the Senate "as an example and symbol of a tax reform" which he feels is long overdue.

He concluded, "I hope such legislation will be the subject of early hearings and early favorable action in both houses of Congress"