Idaho senators confident Reagan tax package will pass

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Idaho's two U.S. Republican senators, James A. McClure and Steve D. Symms, expressed confidence Friday that President Reagan's economic package embracing a $50 billion cut in taxes and budget will pass.

They also said there will be some drastic surgery in the present Social Security System to keep it solvent, yet adequately fund it for the retirees.

In telephone interviews from their Washington office, they acknowledged there likely will be some changes made but that substantially Reagan will get what he is seeking in the present session of Congress.

The two are in key positions in the Senate, McClure as the Republican Conference (Caucus) chairman and also chairman of the Senate Energy and Natural Resources Committee, and Symms as member of the Senate Finance Committee and also a subcommittee finance head.

"I think the president will get a substanial part of his program," said McClure.

Regarding the Social Security System, he said, it will be necessary to make some adjustments to avoid it from going bankrupt.

"This is a question, not of an opportunity for early retirement, but what we are saying is the matter of the retiree getting a check at all," said McClure.

McClure said some of the plans under consideration are for freezing the payments at the present level for a year, and the matter of cutbacks for early retirement, those between 62 and 65 years of age.

Sens.McClure and Symms

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This would call for eliminating the automatic cost of living increase now granted to Social Security recipients.

He hastened to add there has never been a proposal suggested for affecting those retiring before age 65 on account of disability.

McClure said there is still the nagging question of full economic recovery so as to bring back normal employment and lowering in interest rates.

He said the one bright and important spot is the lowering of the inflation rate, now under 10 percent for the first time.

"Too many people are suffering from the high interest rates," he said, expressing hope this could be lowered.

Symms echoed McClure predictions that Reagan will get generally the tax cut and budget that he is asking.

Symms said he is specifically working for getting substantial relief in the gift and inheritance tax, cuts for working married couples and foreign income earnings.

Symms said he felt confident that Reagan would get the income tax relief of 25 percent cut over three years.

Other tax matters the Senate Finance Committee is considering include the accelerated depreciations on buildings and equipment, such as 10-15 years period for various types of building, five uears on equipment and three years on vehicles; and reduction on unearned income, such as for investment, from 70 to 50 percent.

Also considered is reduction in the capital gains tax from 28 to 20 percent.

Symms said various percentages are being considered on various tupoes of classes but none have been settled definitely by the committee so far.

Among the tax reductions he is pressing particlarly hard are for the gift and inheritance, or so-called "death" tax.

For example, he is asking for substantial increase in the inheritance tax exemption from $175,000 to $600,000, and the gift tax from $3,000 to $10,000. He said this would cover more than 80 percent of the cases, perhaps more than 90 percemnt.

The marriage tax relief is considered at 5 percent for 1981-82, and 10 percent after 1982. Under present laws, it is cheaper for a couple to be living together than to pay tax as a married couple, he noted.

He also said he is asking that foreign earnings of up to $75,000 be exempted from tax so that American companies can compete more equitably with foreign firms at overseas facilities.

Another relief proposed is to exclude the first $1,000 in interest that is deposited in homesavings and commercial banks.

"The bottom line," Symms said, "is to get a $50 billion tax cut so that there is only a $10 billion deficit in 1983 but a $10 billion surplus in 1984, and to increase surpluses after that."