

United States Senate

WASHINGTON, D.C. 20510

March 23, 1984

Mr. Berris Gordon
PO Box 15021
Albany, New York 12212

Dear Mr. Gordon:

Thank you for contacting me and please excuse the delay in replying.

Credit unions have historically been tax-exempt at the corporate level because their earnings are distributed to members in the form of dividends, which are taxable as ordinary income. To tax credit unions at the corporate level is tantamount to reducing benefits for individual members. This would be grossly unfair and would hurt primarily the hardworking middle class.

The Senate Finance Committee, on which I do not serve, is currently preparing a \$100 billion tax and spending bill. A proposed amendment would make credit unions subject to federal income taxation. I am vigorously opposed to such a proposal. The amendment would only result in reduced dividends to members and, thus, not raise any additional revenues for the Treasury. I plan to fight any tax increases reported by the Finance Committee. Certainly, I will oppose any legislation designed to hurt credit unions and the middle class.

I appreciate your allowing me the opportunity to address your interests and concerns. Please continue to notify me of your views in the future.

Sincerely,



Alfonse D'Amato
United States Senator

AD:es