Clinton Expected to Include Energy Tax in Economic Plan

By Karen Hladen and Gilbert A. Lemonwaihe

President Clinton appears ready to raise taxes on energy in the least visible way possible, by imposing a small excise tax at the gasoline pump.

As part of his effort to spread the energy tax burden equitably, and evenly as possible, Clinton’s ruling out a proposal that would raise taxes on most forms of fuel, including coal, oil and gas. Instead, the Clinton administration’s plan would include a tax on natural gas, a means of measuring energy supply.

This would require the creation of an energy tax, and probably would leave the individual user is difficult to determine until more details of the proposal are known. But it is probable, analysts say.

Social Security Tax Increase Will Be Hard Sell for Clinton

When President Clinton pitches his long-awaited economic plan to a watching nation Wednesday, about 8 million elderly Americans could prove to be particularly tough customers. The elderly labor force participation rate, which was greatest in 1970, is now much lower. And Social Security, which Clinton’s program could quickly unravel if older Americans mobilize against.

Under present law, Social Security recipients pay no income taxes on their benefits unless their total annual income, after adjustments, exceeds $23,000 for individuals and $32,000 for couples. For those recipients, up to 50 percent of their benefits may be subject to taxation.

Many observers predict Clinton will ask Congress to leave the income thresholds where they are, but to increase the amount of benefits that recipients pay income taxes on to 85 percent. That would make the taxation of Social Security benefits roughly comparable to the current tax treatment of private pensions for which employees make contributions.

Clinton and his advisers are considering the increase because it addresses two critical needs, administration officials say. First, it would make a significant contribution to deficit reduction by generating an estimated $30 billion in additional tax revenues over five years. Second, it would spread the burden of Clinton’s plan, which will be paid for largely by middle- and upper-income Americans, to those who are able to bear the cost.

There are two resolutions for Iraqis that imposed by the United Nations and the one imposed by the Reagan administration and the Bush administration. Both resolutions have been repealed by the UN Security Council.

The Iraqi government has tried unsuccessfully to block its oil from sale, but the administration has called for the UN Security Council to freeze oil for a year and a half. The UN Security Council has resisted the pressure and has not imposed any sanctions.

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