

bonds, but they are men and women who, of course, are trying to get the most return for their money and they could get a much higher rate of return from other forms of investment. They choose the lesser amounts they can derive from municipal bonds because of its tax-exempt feature. But if your reform were to be enacted, and eliminate that feature, you would be shutting off the source of the financing of schools, sewers, and community facilities. The very expenditures that we are seeking to encourage would involve much higher rates of interest and probably a lot of these projects would go by the board.

I only point this out because there is this point that our laws are not as inequitable as they might seem although I again share with you the awareness of the need to look at these areas constantly and I think we do need to look.

I hope a bill will get before us and we will zero in on some of these areas, including the ones I mentioned.

Mr. TENZER. May I comment on that, Mr. Curtis?

Mr. CURTIS. Yes. I just want to raise the red flag that I don't think you are going to find the juicy sources of revenue that can be derived from closing up inequitable loopholes. Yes, sir.

Mr. TENZER. I wish you would have said red light instead of red flag but I think I know what you mean. One of the statements you made was about the man who gives all to charity.

Mr. CURTIS. Yes, that is right.

Mr. TENZER. Of course, you know that is not the usual case; it is the exception to the rule rather than the practice.

Mr. CURTIS. Yes, but the \$5 million you mentioned in your statement is why I mentioned it.

Mr. TENZER. There are others, and I would like to offer for the record a statement from the Library of Congress quoting the Internal Revenue Service about the 35 individuals with \$500,000 adjusted gross income or more in 1964.

(The information referred to follows:)

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., January 13, 1967.

From: Economics Division.

Subject: Nontaxed incomes of more than \$500,000.

The Internal Revenue Service has informed us that in calendar 1964, there were 35 individual returns filed with adjusted gross incomes of \$500,000 and over; and on which no Federal income tax was paid. These returns represented a total adjusted gross income of \$75.2 million. A breakdown of the income characteristics of these returns follows: