

books for a local retail store, and that retail store is going to take the increased cost that they pay for that bookkeeper and add it to the price of their product; the sales tax is going on the price of their product, so you do not charge sales tax when you are an accountant doing work for a firm or a retailer that can pass that tax on in a product that is going to be taxed on the sales tax. It is complicated. It is complicated, figuring out what you are going to tax sales tax on.

Because of the fact that the advocates of the fair tax and the sales tax suggest that we want to change the 16th Amendment to the Constitution, a political complication of talking this chamber into having a two-thirds vote that is going to change the Constitution, and then after that, you have to have three-quarters of the States agree to ratify what has been suggested as a constitutional change.

Pretend for a moment that you are back in that State legislature, and here is the Federal Government saying, look, we want to change the system to get rid of the income tax and have a sales tax. We would sort of like you as the State to collect that money for us, for the Federal Government because, look, you are going to have a sales tax anyway in your State because you cannot copy the Federal income tax any more because we are going to have a sales tax, but we would also like you to collect the sales tax for the Federal Government, State legislatures and governor. We also are suggesting that you have this sales tax that we are going to pass into law and that it be on services and drugs, that it be on medical supplies. It is going to be a tough getting three-quarters of those States to ratify the Constitution with that kind of threat that they are going to have to be the instigators of that sales tax in their State.

I think what is likely is that all of the problems of a sales tax, how it is going to be administered, what do you calculate as the final sale that is going to be taxed for the sales tax, and the complicated effort of convincing States that they have to be a part of this effort to now expand their sales tax and maybe even start collecting it for the Federal Government.

A third problem has to do with purchases, for example, over the Internet. You might make purchases from another country over the Internet, and that is more and more available. How are these going to be taxed? What is likely is that they will not be and, thus, U.S. retailers will be at a disadvantage compared to foreign retailers. I think these are just a few of the problems in implementing a national retail sales tax.

The fact that no State has successfully managed to put in place a true retail sales tax that captures all final goods and services should tell us that it will be very difficult to do at the national level also.

Okay, back again, reviewing. Implementation, the flat tax is just going to

be a bill passed by a majority and signed by the President. The sales tax, it is the bill, plus the constitutional amendment. The burden on States on the flat tax: none. On a sales tax, the States must collect the Federal taxes, often new ones on services; and for those States that do not have a sales tax, implementing that kind of a tax structure in those States.

The burden on the taxpayer. We have seen the simple form for a flat tax. On the sales tax, there is no form for individuals, but it is going to end up with much more business monitoring to know how much is being produced to determine what is being avoided in the sales tax, and the risk of tax evasion. The risk of tax evasion with a flat tax is the same as the current tax system. But with a sales tax, the high tax on goods increases the incentives for invasion. It increases the incentives to trade with your neighbor instead of paying a very high sales tax that I have estimated will go to 28 percent, maybe even higher.

In conclusion, let me just suggest that getting back to our predicament of over-spending, over-promising, the challenges that we face with medicare and Social Security, the challenges we face with paying our veterans' benefits, the challenges we face coming up with retirement benefits for Federal employees, means that we need to make the kind of changes in government that is going to help make sure that this country stays on the cutting edge of competition in the new challenging world market. And one of the tools that we can use to do this is getting rid of the IRS, getting rid of the complicated Tax Code that has preferences based on the strength of PACs and lobbyists that have influenced this and the other chamber and the White House over the last 50 years, and come up with a tax system that is going to be better for individuals, it is going to be better for the long-term competition that future generations are going to face.

CORRECTION TO THE CONGRESSIONAL RECORD OF WEDNESDAY, SEPTEMBER 15, 2004, AT PAGE H7232

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 361. To designate certain conduct by sports agents relating to the signing of contracts with student athletes as unfair and deceptive acts or practices to be regulated by the Federal Trade Commission.

H.R. 3908. To provide for the conveyance of the real property located at 1081 West Main Street in Ravenna, Ohio.

H.R. 5008. To provide an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through September 30, 2004, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1576. An act to revise the boundary of Harpers Ferry National Historical Park, and for other purposes.

CORRECTION TO THE CONGRESSIONAL RECORD OF WEDNESDAY, SEPTEMBER 15, 2004, AT PAGE H7234

H. Res. 776. A resolution of inquiry requesting the President and directing the Secretary of Health and Human Services provide certain documents to the House of Representatives relating to estimates and analyses of the cost of the Medicare prescription drug legislation; referred jointly to the Committees on Energy and Commerce, and Ways and Means, in each case for consideration of such provisions as fall within the jurisdiction of the committees concerned.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FROST (at the request of Ms. PELOSI) for today on account of personal reasons.

Mr. BAIRD (at the request of Ms. PELOSI) for today and September 22 on account of attending the funeral of a close friend.

Mr. BISHOP of Georgia (at the request of Ms. PELOSI) for today and the balance of the week on account of a death in the family.

Ms. MILLENDER-MCDONALD (at the request of Ms. PELOSI) for today on account of business in the district.

Mr. TAUZIN (at the request of Mr. DELAY) for today and the balance of the week on account of medical reasons.

Mr. WICKER (at the request of Mr. DELAY) for today on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FRANK of Massachusetts) to revise and extend their remarks and include extraneous material:)

Mr. FRANK of Massachusetts, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. STUPAK, for 5 minutes, today.

Ms. SCHAKOWSKY, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mr. DEFazio, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

(The following Members (at the request of Mrs. BLACKBURN) to revise and