

[Rollcall Vote No. 305 Leg.]

YEAS—96

Akaka	Edwards	Mikulski
Allard	Enzi	Miller
Allen	Feingold	Murkowski
Baucus	Feinstein	Murray
Bayh	Fitzgerald	Nelson (FL)
Biden	Frist	Nelson (NE)
Bingaman	Graham	Nickles
Bond	Gramm	Reed
Boxer	Grassley	Reid
Breaux	Gregg	Roberts
Brownback	Hagel	Rockefeller
Bunning	Harkin	Santorum
Byrd	Hatch	Sarbanes
Campbell	Helms	Schumer
Cantwell	Hollings	Sessions
Carnahan	Hutchinson	Shelby
Carper	Hutchison	Smith (NH)
Chafee	Inhofe	Smith (OR)
Cleland	Inouye	Snowe
Clinton	Jeffords	Specter
Cochran	Johnson	Stabenow
Collins	Kennedy	Stevens
Conrad	Kerry	Thomas
Corzine	Kohl	Thompson
Craig	Kyl	Thurmond
Crapo	Landrieu	Torricelli
Daschle	Leahy	Voinovich
Dayton	Levin	Warner
DeWine	Lieberman	Wellstone
Dodd	Lincoln	Wyden
Domenici	Lott	
Dorgan	Lugar	
Durbin	McConnell	

NAYS—1

McCain
NOT VOTING—3

Bennett Burns Ensign

The conference report was agreed to. Mrs. HUTCHISON. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank all Senators who supported this very important legislation. Senator FEINSTEIN and I are very appreciative of the support of Congress.

This bill is now on its way to the President. It will provide support to our men and women in the field in their quality of life, quality of their equipment, and in the quality of their training. We can do no less. I appreciate the support of the Senate.

The PRESIDING OFFICER. The Senator from North Dakota.

MORNING BUSINESS

Mr. DORGAN. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes between now and 12:30 today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS

Mr. DORGAN. Mr. President, I ask unanimous consent the Senate stand in recess from 12:30 until 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNET TAXATION

Mr. DORGAN. Mr. President, I am going to propound a unanimous consent that I understand may be objected to, but for the moment I will describe what I am about to do and why I want to do it today.

As most of us know who have worked on an issue called the Internet tax moratorium issue, the moratorium that now exists with respect to Internet taxation expires on Sunday of this week. The expiration of the Internet Tax Moratorium Act on Sunday means that next week there will no longer be the prohibition that exists in that act.

Many of us believe we ought to do a couple things.

One, the Internet Tax Moratorium Act is one that I supported because it would have prohibited additional States from imposing taxes on access to the Internet. I support that. It actually grandfathered some States. I would have been content to eliminate the grandfathering even. I don't think we ought to be taxing access.

It also said that we will not allow discriminatory or punitive taxes with respect to Internet transactions. I supported that as well and was happy to vote for that legislation. It had an end date on it. That end date is this Sunday.

What we have been trying to do for a long time is to construct an extension of the Internet tax moratorium, which I support, and attach to that a provision that would allow State and local governments to solve a very significant problem they are confronted with; that is, remote sellers are selling all across this country now in a significant way and in many instances—in fact, most instances—they are not required to collect local taxes when they make those sales.

The remote sellers say it would be very difficult for them to collect the local sales and use taxes because you have thousands of jurisdictions around the country with different tax rates, different bases, and so on. It would be horribly complicated to subject a remote seller to all of those different standards and different jurisdictions. I am sympathetic to that.

For that reason, I believe State and local governments ought to be required to simplify the tax system by which consumption taxes would be imposed on remote sales.

At the moment, the courts have said the State and local governments may not impose their consumption taxes on remote sales unless the remote seller has a location in that State. The only change that could occur that would allow them to enforce a collection would be the Congress, under the commerce clause, describing a different nexus so that State and local governments could in fact enforce a requirement of collection. I don't believe we ought to do that unless we also require

State and local governments to dramatically simplify their sales and use tax system. And when we do that, State and local governments should then be able to enforce a collection.

You have two things: Requiring a simplification of a system, and then requiring remote sellers to collect the tax and remit it to the States.

Why is this important? It is important for two reasons. One is fairness. Main street sellers are required to collect the tax, and their competitors from a remote circumstance are not required to collect the tax. That is not a fair situation.

Second, there is a substantial amount of lost revenue, much of which would be used to finance schools in this country, and that lost revenue is injuring the tax base of State and local governments and injuring the opportunity to fund education which is funded, as most of us know, predominantly by State and local taxes.

What I propose is the following: We extend the moratorium for about 8 months to next June 30. That moratorium extension would be accompanied by a sense of the Congress in my bill. It is only a two-page bill: It is a sense of Congress that State governments and interested business organizations should expedite efforts to develop a streamlined sales and use tax system that, once approved by Congress, would allow sellers to collect and remit sales and use taxes without imposing an undue burden on interstate commerce.

The House of Representatives, I believe this week, passed a 2-year extension on the moratorium, with really nothing involved in it, that actually begins to address the other side of the equation; that is, how do you deal with all of this lost revenue and the need to fund our schools and education?

We really need to deal with both issues. I agree with the extension of the moratorium. What I propose is that we extend the moratorium to next June 30, do that immediately—I will propose a unanimous consent request when I send this to the desk—and between now and then, ask all of the sides involved to get serious and get this done, develop a compact we can work on together, and therefore require simplification of local tax systems and allow the State and local governments to enforce collection.

My colleague, Senator ENZI from Wyoming, with whom I have worked, as well as Senator VOINOVICH, Senator WYDEN, Senator MCCAIN, Senator GRAHAM of Florida, and many others have worked on this issue for a long while. We have not met success at this point. But Senator ENZI has been working very hard on it and another approach that would have a longer extension but would establish a more concrete system by which the State and local governments could develop a compact.