

their tremendous courage in promoting participatory democracy and free markets.

THE SMALL BUSINESS TAX RELIEF ACT OF 2001

Mr. HUTCHINSON. Mr. President, as Congress considers President Bush's comprehensive tax relief plan in the coming weeks, I sincerely hope that we will examine ways to make the tax system more equitable to small business.

As we look at the economic indicators, it is clear that the economy could use a boost. One way we can do this is to encourage the further growth and success of small businesses, which for decades have been the cornerstone of our growing economy.

A proposal I would like my colleagues to seriously consider is the Small Business Tax Relief Act of 2001, which I introduced last week.

Small businesses owners generally have restricted cash flow, as well as limited access to credit. Funds are not readily available to invest in new equipment that may be needed to operate the business effectively.

Small businesses need to be allowed to expense a significant portion if not all of the costs for new equipment purchases in the year the purchase was made, rather than depreciating it over many years, which frees up necessary capital to make necessary investments and improvements.

Specifically, the Small Business Tax Fairness Act provides small businesses relief from an outdated rule that currently only allows a business to expense \$24,000 per year for new or used equipment. S. 236 proposes two key changes to the equipment expensing rule that will ease the cost on small businesses when necessary updates are needed in their facilities:

The bill increases the current \$24,000 allowable equipment expensing amount to \$100,000; and

It increases the cap beyond which limits the equipment expense deduction from \$200,000 to \$400,000.

Another important provision of this legislation directly impacts small businesses which are restaurants or franchises. Because restaurants find themselves at a competitive disadvantage with other businesses, such as convenience stores, which are allowed a 15-year depreciable life, the Small Business Tax Fairness Act would allow restaurants to depreciate the cost of their original building, and any subsequent renovations or improvements to the building, at a same rate of 15 years, instead of the current depreciation schedule of 39 years.

Unlike other commercial buildings, restaurant buildings are specialized, single-purpose structures that are rarely converted to non-restaurant use. Restaurants also experience considerably more traffic, and remain open

longer than most retail buildings. This daily assault causes rapid deterioration of restaurant properties, and forces restaurateurs to constantly repair and upgrade their buildings.

Because restaurant facilities do have a much shorter life span than other commercial establishments, this bill would alleviate the punitive depreciation schedule for restaurants that currently exists.

Similarly, most franchise contracts cover a span of 15 or 20 years. By reducing the depreciation period from 39 to 15 years for franchise and restaurant properties, this legislation more accurately reflects the true economic life of the properties.

S. 236 is supported by the International Franchise Association, the National Federation of Independent Business, the National Association of Women Business Owners, and the National Restaurant Association. I urge my colleagues to support this important legislation.

INTERNET NON-DISCRIMINATION AND SALES TAX SIMPLIFICATION ACT

Mr. LEAHY. Mr. President, I rise today to add my support to promoting electronic commerce and keeping it free from discriminatory and multiple state and local taxes. I am pleased to join the senior senator from Oregon as an original cosponsor of the Internet Non-Discrimination and Sales Tax Simplification Act. I commend Senator WYDEN for his continued leadership on Internet tax policy.

The Internet has changed the way we do business. Today, businesses can sell their goods and services all over the world in the blink of an eye. E-commerce has created new markets, new efficiencies and new products. In fact, retail revenues from electronic commerce grew from \$13 billion in 1999 to \$26 billion in 2000. Retail sales are expected to continue to grow on the Internet to \$178 billion in 2005.

The growth of electronic commerce is everywhere, including my home state of Vermont. Today, hundreds of Vermont businesses are doing business on the Internet, ranging from the Vermont Teddy Bear Company to Al's Snowmobile Parts Warehouse to Ben & Jerry's Homemade Ice Cream.

Let me just give you a few examples of Cyberselling in Vermont:

The New York Times recently profiled Buch Spieler, a Montpelier music store, as a shining example of the power of the Internet to boost sales and change the way many local stores do business. According to Fred Wilber, who has been running Buch Spieler for the past 27 years, overall sales has jumped by 10 percent and its customer base has expanded by 20 percent in the 18 months since he took his business online.

Gardeners Supply Company of Burlington opened its web site five years ago to accompany its catalog of environmentally-sound products. With an average annual growth rate of about 150 percent, Gardeners now sells more than \$10 million worth of products online.

Pompanoosuc Mills, a furniture company in Thetford, has been online for about two years. In its first year, the company made about \$1,300 a week from Internet-related sales. By its second year, online sales had tripled to \$4,000 a week.

Green Mountain Coffee Roasters, based in Waterbury, went on the web to gain more direct access to consumers since its coffee business was about 95 percent wholesale. Today, Green Mountain has doubled its retail sales through the Internet.

And Burr Morse, President of Morse Farm Sugar Works, outside Montpelier, sold so much maple syrup online that he testified before the Senate Commerce Committee on the benefits of e-commerce for small businesses nationwide.

For the past five years I have learned first-hand about this e-commerce explosion by hosting annual workshops on Internet sales. At my Doing Business On The Internet Workshops in Vermont, small business owners recounted tales of successful selling on the Web and share their tips for future success with fellow entrepreneurs. For instance, Megan Smith of The Vermont Inn in Killington attended one of the workshops and now takes reservations over the Net from customers all across the country and around the world. And Maura Malone attended our workshops for the past three years in a row to learn how to reach more customers for her fabric/quilt store, Back Country Threads, which is deep in the woods in Essex. She created her own website and won the "Top Customer Service Award" from Yahoo Store for the last 10 months running.

These Vermont cybersellers are of all sizes and customer bases, from Main Street merchants to boutique entrepreneurs to a couple of famous ex-hippies who sell great ice cream. But what Vermont online sellers do have in common is that Internet commerce allows them to erase the geographic barriers that historically have limited our access to major markets. With the power of the Internet, Vermonters can sell their products and services anywhere, anytime. Cyberselling is paying off for Vermont and the rest of the nation.

With the Internet's exciting economic opportunities come unique challenges. One of the critical challenges in our new economy is developing fair and balanced tax policy that respects the rights of states and local jurisdictions while fostering a stable environment for e-commerce to continue to grow. I

believe the Internet Non-Discrimination and Sales Tax Simplification Act strikes that fair balance.

Our legislation extends the current moratorium against discriminatory and multiple taxes on goods and services sold over the Internet through 2006. The current three-year moratorium, enacted as part of the 1998 Internet Tax Freedom Act, which I was proud to cosponsor, is set to expire in October 2001. This five-year extension of the moratorium was one of the recommendations in the Advisory Commission on Electronic Commerce's April 2000 report to Congress.

Electronic commerce is beginning to blossom, but it is still in its infancy. Stability is key to reaching its full potential, and creating new tax categories for the Internet is exactly the wrong thing to do. Internet commerce should not be subject to discriminatory new taxes that do not apply to other commerce.

Indeed, without the current moratorium, there are 30,000 different jurisdictions around the country that could levy discriminatory or multiple Internet taxes on e-commerce. We need to continue the moratorium to provide the stability necessary for electronic commerce to flourish. We are not asking for a tax-free zone on the Internet; if sales taxes and other taxes would apply to traditional sales and services, then those taxes would also apply to Internet sales under our legislation. But our legislation would continue the ban on any taxes applied only to Internet sales in a discriminatory manner.

Let's not allow the future of electronic commerce—with its great potential to expand the markets of Main Street businesses—to be crushed by the weight of multiple or discriminatory taxation.

While Congress should continue to prevent discriminatory e-commerce taxes, we also need a national policy to make sure that the traditional state and local sales taxes on Internet sales are applied and collected fairly and uniformly. Our bill encourages states to simplify their sales tax rules and to develop national standards on e-commerce. To help state and local governments improve their collection of sales taxes on e-commerce, our bill authorizes Congress to consider legislation under fast-track procedures to require sellers to collect sales taxes on goods and services sold over the Internet.

I commend the National Conference of State Legislatures and the National Governors Association for their efforts to create uniformity among states for the collection of remote sales taxes. I hope our legislation will further this simplification process as state legislatures and governors around the nation work together to come up with national standards for e-commerce taxation. I pledge to work with them to reach consensus on these difficult remote tax issues.

Today, there are more than a million businesses selling their sales and services on the World Wide Web around the world. This explosion in Web growth has led to thousands of new jobs and exciting opportunities for businesses from Main Street to Wall Street. A March 1999 survey of e-commerce in Vermont that I commissioned found that Vermont businesses had already created 1,404 jobs as a result of Internet commerce—with the potential to create 24,280 new jobs in my home state by the end of this year. The Internet Non-Discrimination and Sales Tax Simplification Act will insure that Vermonters continue to reap the rewards of electronic commerce.

E-Commerce is booming, our moratorium law is working, and we should keep a good thing going and growing. I am proud to cosponsor the Internet Non-Discrimination and Sales Tax Simplification Act to encourage online commerce to continue to grow with confidence. I urge my colleagues to support its swift passage into law.

ADDITIONAL STATEMENTS

CONGRATULATIONS TO PROVIDENCE'S NEW ENGLAND STORM

• Mr. CHAFEE. Mr. President, I wish to pay tribute to the New England Storm, a Women's Professional Football League, WPFL, team based in Providence, Rhode Island. Established just one year ago, the New England Storm logged an impressive first season capped by winning the National Conference Championship January 6, 2001.

This was truly an amazing accomplishment—a testament to the players' dedication, sacrifice, and hard work.

As a Rhode Islander, I am particularly proud of the Storm's success. In January 2000, Rhode Island native Melissa Korpacz—know to all as "Missi"—founded the Storm and rooted it in Providence's Mt. Pleasant Stadium. Missi put aside her fledgling education law practice and invested her time and money into helping the New England Storm take flight. She secured a venue, recruited 43 top athletes, a dedicated staff of managers, coaches, and trainers and secured the necessary business licenses.

And, throughout the season, she balanced the roles of team owner and regional director of team management for the WPFL while taking to the field each game as the Storm's fullback.

To be sure, Missi's efforts were boosted by the spirit and professionalism of her fellow teammates. Together, their performance stirred an enormous amount of pride in Rhode Island and set a laudable goal toward which young women athletes across our state can strive.

And so, I offer my heartiest congratulations to all the members of the

New England Storm Women's Professional Football Team, and all who were associated with their championship season.

I ask that a copy of the team roster be printed in the RECORD.

The roster follows.

NEW ENGLAND STORM WOMEN'S PROFESSIONAL FOOTBALL TEAM 2000-2001 SEASON

Jennifer Blum; Kathleen Bolduc; Sue Burtoft; Patricia Carey; Linda Caruso; Kendra Cestone; Deb Cote; Heather Davis; Karolyn Domini; Kerry Dudley; Audrey Everson; Toni Farfaras; Tara Fay; Chantalle Forgues; Sandy Frizell; Christina Gibbons; Nicole Girard; Theresa Gomes; Ann Hadwen; Cheryl Hancin; Kim Hickey; Rumonda Holder; Debra Hutter; Jessica Johnson; Stephanie Kehas; Catherine Kidd; Missi Korpacz; Tracey Kowalski; Stephanie Lake; Veronica Milinazzo; Darci Mix; Sara Moon; Amy O'Hara; Samantha Phillips; Leah Proia; April Riccardone; Beatrice Robinson; Lori Rubolotta; Amy Saur; Jeanne Sherlock; Kate Skidmore; Karen Sweet; and Sarah Ward. •

TRIBUTE TO EDDIE RATHBUN

• Mr. INHOFE. Mr. President, I rise today in recognition of the hard work that Mr. Eddie Rathbun and the staff of the Natural Resources Conservation Service have done for the people of Bridge Creek, OK.

I have often spoke of the incredible kindness Oklahomans have demonstrated through trying times, and Mr. Eddie Rathbun's actions have been an example of this. I am sure you remember the horrible tornados that ravaged Oklahoma in May of 1999 that killed 44 people and injured 795 others. For many of my constituents this was a very difficult time and Mr. Rathbun and the staff of the Natural Resources Conservation Service went out of their way to be helpful to those whose lives had been altered by this disaster. Mr. Rathbun and his crew worked long hours, in difficult working conditions, to ensure that the people in Bridge Creek could return their lives to normal. The people of this community have informed me that he was a great help to them in a time of need, and have expressed a deep appreciation of him, which I share here today.

Mr. Eddie Rathbun and the crew of the Natural Resources Conservation Service exemplify the Oklahoma spirit of going beyond what is necessary to help a neighbor in a time of need. I wanted to recognize the efforts of a good man, for the kindness he has provided to the people of Oklahoma. •

A SALUTE TO LORENA DERON

• Mr. INHOFE. Mr. President, it is my privilege today to pay tribute to an outstanding woman who will be recognized this Saturday, February 10, with a special Honor Dance for her years of service to American Indians and to our country. This dance honors what is