

people and a political inevitability. No tax collector will be welcome on the Internet after 2006."

Let me be clear: this is not about whether purchases made over the Internet are subject to sales tax. They already are. The question is whether Internet sellers should have the same responsibility to collect the sales tax as their Main Street competitors.

If we answer this question with a "no," funding for education, law enforcement and emergency services will suffer. Why? Because States have the fundamental responsibility of financing public education in our country. Patrolling our streets, safeguarding the health and safety of our citizens—these tasks could not be accomplished without our State and local governments.

For most States, sales tax revenue is the primary means by which States fulfill these responsibilities. Because many States rely on sales taxes for their general revenue, the equation is simple—no collection of sales tax on the Internet means less money for new schools, police officers, and rapid response equipment. Six States—Florida, Nevada, South Dakota, Tennessee, Texas and Washington rely on sales taxes for more than half of their total tax revenue.

According to the General Accounting Office, by 2003 losses to State and local government revenues from uncollected sales taxes on Internet sales could climb as high as \$12.5 billion. Florida's share of that lost revenue could be as much as \$1 billion. When asked why he robbed banks, Willie Sutton replied, "that's where the money is." Today, the money is increasingly on the Internet.

There is another reason to fix this issue: fairness. No one would seriously consider a proposal that barred State and local governments from collecting sales and use taxes from retailers who operate in green buildings. That would be unfair to those businesses that aren't located in green buildings. Yet that is fundamentally what proponents of the status quo argue for Internet retailers.

Our position should be clear: no more delays. No more moratoriums until Congress agrees to a process whereby States are directed to simplify their sales tax systems in exchange for the authority they need to require remote sellers to collect their sales taxes.

The legislation introduced last Friday takes the first positive step in this direction. That bill extends the current moratorium on Internet access taxes and multiple or discriminatory taxes on the Internet, a prohibition that virtually all agree should be imposed.

More importantly, however, it establishes a process whereby States can cooperatively unify and simplify their sales and use tax systems. Sales tax laws must be made significantly more

uniform across the states and the administration of the tax must be substantially overhauled and simplified. The goal of this legislation is to develop a simple, uniform and fair system of sales tax collection. It will reduce the burden on remote sellers while protecting State and local sovereignty.

Once States have adopted this simplified system, they would then have the authority to require remote sellers to collect and remit sales and use taxes to the State.

Previous attempts to require remote sellers to collect sales and use taxes have been criticized on the grounds that it was unreasonable to require businesses to keep track of the nearly 7,500 separate jurisdictions levying sales and use taxes. This bill addresses that criticism by requiring the states to dramatically simplify their sales and use tax systems by establishing uniform definitions and fewer rates.

The streamlined sales and use tax system envisioned by this legislation follows the guidance offered by the Advisory Commission on Electronic Commerce. The attributes of this streamlined system include: a centralized, one-stop, multi-state registration system for sellers; uniform definitions for goods or services that would be included in the tax base; uniform and simple rules for attributing transactions to particular taxing jurisdictions; uniform rules for the designation of and identification of purchasers exempt from tax; uniform certification procedures for software that sellers may rely on to determine State and local taxes; uniform returns and remittance forms; consistent electronic filing and remittance methods; State administration of State and local sales taxes; uniform audit procedures; reasonable compensation for tax collection by remote sellers; exemption for remote sellers with less than \$5 million in annual sales for the previous year; appropriate protections for consumer privacy; and such other features that a member states deem warranted to promote simplicity.

Critics of this legislation argue that it is anti-technology, and that the Internet must be protected from this threat. That is not true. The sponsors of this bill yield to no one in their support and enthusiasm for a vibrant information technology industry. But that support does not necessitate special breaks for companies doing business over the Internet.

This legislation is more appropriately characterized with one word: fairness. It promotes fair treatment for all retailers. In addition it protects States' abilities to collect the resources necessary to make the education investments that will pave the way for the next technological breakthrough—the next Internet. I hope my colleagues will join the sponsors of this bill and support this approach.

ADDITIONAL STATEMENTS

TRIBUTE TO JOAN FINNEY

• Mr. BROWNBACK. Mr. President, I rise to pay tribute to the first woman ever elected governor of the great State of Kansas, and my good friend, Joan Finney.

Unfortunately, Governor Finney is currently in a serious battle with liver cancer.

Governor Finney served 16 years as State treasurer before becoming the first woman elected to the State's highest office, where she served as governor from 1991 through 1994. She did not seek a second term.

A resolution adopted by the State Democratic party describes her as someone who "gave tirelessly and selflessly to the people of Kansas, dedicating her energy, optimism, openness and faith to serving the people of Kansas."

I had the honor and privilege to serve with Governor Finney when I was Secretary of Agriculture for the State of Kansas.

It was a true honor to serve with someone who believed so much in public service. Particularly in a country that is marked by a growing skepticism about public service in general, and some of our public servants in particular, Governor Finney was a breath of fresh air in our capitol.

She embodied bipartisanship in so many ways; often working in a bipartisan way to advance the causes for which she so deeply believed. Her service to the State of Kansas will not soon be forgotten.

The Democrats at their annual meeting in Topeka this year adopted a resolution describing Governor Finney as "truly one of Kansas' most adored native daughters", and she is.

I extend my best wishes to Governor Finney as she faces this difficult period in her life. She and her husband, Spencer, need our prayers, they already have mine.●

DR. ROBERT GODDARD

• Mr. SARBANES. Mr. President, today I would like to recognize the contributions of a man who helped pave the way for the American space flight program. Seventy-five years ago, on a cool morning in Auburn, MA, Dr. Goddard and his small group of students and assistants huddled around a nine-pound, awkward looking structure and began the first of many, now familiar countdowns. Seconds later the small vehicle rose forty-one feet into the air and fell to the ground amid the cheers of those below. The age of modern rocketry was begun. Today, Doctor Goddard is recognized around the world as the father of modern rocket propulsion.

Goddard's dreams began, like thousands of other young children, with