reform panel will offer on how best we can reform the current Tax Code to improve its efficiency and strengthen our overall economy.

In the interim, the proposal that I am re-introducing today will simplify the code by permitting small business owners to use the cash method of accounting for reporting their income if they generally earn fewer than $10 million during the tax year. Currently, only those taxpayers that earn less than $5 million per year are able to use the cash method. By increasing this threshold to $10 million, more small businesses will be relieved of the burdensome record-keeping requirements that they must deal with currently in paying their income taxes.

Before I talk about the specifics of this particular provision, let me first explain why it is so critical that we simplify the Tax Code. As you know, Mr. President, small businesses are the backbone of our nation's economy. According to the Small Business Administration, small businesses represent 99 percent of all employers, employ 51 percent of the private-sector workforce, and contribute 51 percent of the private-sector output.

Yet, the despite the fact that small businesses are the engine that drives our improving economy, the current tax system imposes entirely unreasonable burdens on them when they try to satisfy their tax obligations. As you know, the current tax code imposes a large, and expensive, burden on all taxpayers in terms of satisfying their reporting and recordkeeping obligations. The problem, though, is that small companies are disadvantaged most in terms of the money and time spent in satisfying their tax obligation vis-a-vis larger firms.

For example, according to the Small Business Administration's Office of Advocacy, small businesses spend more than 8 billion hours each year filling-out government reports, and they spend more than 80 percent of this time on completing tax forms. What's even more troubling is that companies that employ fewer than 20 employees spend nearly $6,975 per employee in tax compliance costs, and this amount is nearly 60 percent more than companies spend with more than 500 employees.

These statistics are disconcerting for several reasons. First, the fact that small businesses are being required to spend so much money on compliance costs means they have fewer earnings to reinvest into their business. This, in turn, means that they have less money to spend on new equipment or on worker training, which unfortunately has an adverse effect on their overall production and the economy as a whole.

Second, the fact that small business owners are required to make such a sizeable investment of their time into completing paperwork means they have less time to spend on doing what they do best—namely running their business and creating jobs.

Let me be clear, however, that I am in no way suggesting that small business owners are unique in having to pay income taxes, and I am certainly not expecting them to receive a free pass. In order to benefit from the freedoms and protections that our great country provides, individuals and businesses alike are required to pay taxes, and this duty inevitably imposes some minimum administrative and opportunity cost. What I am asking for, though, is a fairer, simpler Tax Code that allows small companies to satisfy this obligation without having to expend the amount of resources that they do currently.

For that reason, the package of proposals that I hope to introduce will provide not only targeted, affordable tax relief to small business owners, but they also will simplify the rules that exist currently. By simplifying the Tax Code, small business owners will be able to satisfy their tax obligation in a cheaper, more efficient manner, and they consequently will be able to invest more time and resources into their business.

As I mentioned earlier, the provision that I am introducing today will permit more taxpayers to use the cash method of accounting rather than the accrual method. Generally, current law permits only those taxpayers that earn fewer than $5 million in gross receipts during the tax year to use the cash method in reporting their income. In addition, current law precludes taxpayers that have inventory from using the cash method. This means that thousands of small businesses that should be entitled to report their income and expenses under the cash method of accounting are required to follow the accrual method, which tends to impose additional financial and administrative costs that should be eliminated.

My bill changes these existing rules so that more small businesses will be able to use the cash method. In short, my bill increases the gross receipts test under current law to $10 million and indexes this higher threshold to account for inflation. As the current $5 million threshold is clearly outdated, it makes little sense to have such an obsolete standard for this most important provision.

My bill also changes current law to permit those taxpayers with inventory to qualify for the cash method of accounting. Notably, however, my bill will not give these taxpayers an opportunity to simply recover costs associated with these otherwise inventoriable assets in the year of purchase. Rather, my bill will require these taxpayers to account for such costs as if they are a material or supply that is not incidental. This standard already exists under current law, and it is one with which many small businesses are already familiar. As such, this less-burdensome standard should ease the existing compliance burden for eligible taxpayers and allow them to devote more time and resources to their business.

Importantly, these changes will not reduce the amount of taxes a small business pays by even one dollar. Indeed, the overall amount of taxes a qualifying small business pays will remain the same. Rather, this bill simply permits more taxpayers to report income and account for costs in the year of the receipt or expenditure. Clearly, this method is much easier and simpler for small taxpayers, and it will reduce both their time and monetary expenditures spent on complying with the Tax Code.

## AMENDMENTS SUBMITTED & PROPOSED

SA 58. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table.

SA 59. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 60. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 61. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 256, supra; which was ordered to lie on the table.

SA 62. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 256, supra; which was ordered to lie on the table.

SA 63. Mr. LEVIN (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 64. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 256, supra; which was ordered to lie on the table.

SA 65. Mr. ROCKEFELLER (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 66. Mr. HARKIN (for himself, Mr. ROCKEFELLER, Mr. LEAHY, Mr. DAYTON, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 67. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 68. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 69. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 70. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 71. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 72. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 73. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 74. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 75. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 76. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 77. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 78. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 79. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 80. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 81. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 82. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 83. Mr. KENNEDY (for Mr. LEAHY (for himself and Mr. SARBANES)) proposed an amendment to the bill S. 256, supra.

SA 84. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 85. Ms. CANTWELL (for herself, Mr. ENSIGN, and Mrs. MURRAY) submitted an amendment intended to be proposed by her to the bill S. 256, supra; which was ordered to lie on the table.

SA 86. Ms. CANTWELL (for herself, Mr. ENSIGN, and Mrs. MURRAY) submitted an amendment intended to be proposed by her to the bill S. 256, supra; which was ordered to lie on the table.

SA 87. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 88. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 89. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 90. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 91. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 92. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 93. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 94. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 95. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 96. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 97. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 98. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 99. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 100. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 101. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 102. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 103. Mr. LEAHY (for himself and Mr. SARBANES) submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 104. Mr. GRAHAM (for himself, Mr. DURBIN, and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 105. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 106. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 107. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 108. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 109. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 110. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 111. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 112. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 113. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 114. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 115. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 116. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 117. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 118. Mr. KYL (for himself, Mr. FEINGOLD, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 119. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 120. Mr. LEVIN (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 121. Mr. TALENT submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 122. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 123. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 124. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 125. Mr. LAUTENBERG (for himself and Mr. DAYTON) submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 126. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 127. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 128. Mr. SANTORUM proposed an amendment to the bill S. 256, supra.

SA 129. Mr. SCHUMER proposed an amendment to amendment SA 121 submitted by Mr. TALENT to the bill S. 256, supra.

## TEXT OF AMENDMENTS

**SA 58.** Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. ——. CERTAIN OBLIGATIONS UNDER THE COMMUNICATIONS ACT OF 1934.**

Section 4 of the Communications Act of 1934 (47 U.S.C. 154) is amended by adding at the end the following:

''(p) APPLICATION OF BANKRUPTCY LAWS.—

''(1) IN GENERAL.—The bankruptcy laws may not be applied—

''(A) to avoid, to discharge, to stay, or to set-off any pre-petition or post-petition debt obligation to the United States arising from an auction under section 309(j) of this Act;

''(B) to stay the payment obligations of the debtor to the United States if those obligations were a condition of the grant or retention of a license under this Act;

''(C) to prevent the automatic cancellation of a license under this Act pursuant to Commission rules for failure to comply with any monetary or nonmonetary condition for holding a license issued by the Commission, including the automatic cancellation of a license for failure to pay a monetary obligation of the debtor to the United States, whether or not dischargeable in a bankruptcy case, when due under an installment plan arising from an auction under section 309(j) of this Act, except that, upon cancellation of such license, the United States shall have an allowed unsecured claim for any outstanding debt to the United States with respect to such canceled license, and that such