

COBURN) was added as a cosponsor of amendment No. 4196 intended to be proposed to H.R. 4899, a bill making emergency supplemental appropriations for disaster relief and summer jobs for the fiscal year ending September 30, 2010, and for other purposes.

## AMENDMENT NO. 4197

At the request of Mr. ENZI, the name of the Senator from Oklahoma (Mr. COBURN) was added as a cosponsor of amendment No. 4197 intended to be proposed to H.R. 4899, a bill making emergency supplemental appropriations for disaster relief and summer jobs for the fiscal year ending September 30, 2010, and for other purposes.

## AMENDMENT NO. 4198

At the request of Mr. ENZI, the name of the Senator from Oklahoma (Mr. COBURN) was added as a cosponsor of amendment No. 4198 intended to be proposed to H.R. 4899, a bill making emergency supplemental appropriations for disaster relief and summer jobs for the fiscal year ending September 30, 2010, and for other purposes.

## AMENDMENT NO. 4204

At the request of Mr. FEINGOLD, the names of the Senator from Ohio (Mr. BROWN), the Senator from Vermont (Mr. SANDERS), the Senator from West Virginia (Mr. BYRD) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of amendment No. 4204 proposed to H.R. 4899, a bill making emergency supplemental appropriations for disaster relief and summer jobs for the fiscal year ending September 30, 2010, and for other purposes.

## AMENDMENT NO. 4214

At the request of Mr. MCCAIN, the names of the Senator from Utah (Mr. HATCH) and the Senator from New Hampshire (Mr. GREGG) were added as cosponsors of amendment No. 4214 proposed to H.R. 4899, a bill making emergency supplemental appropriations for disaster relief and summer jobs for the fiscal year ending September 30, 2010, and for other purposes.

## AMENDMENT NO. 4218

At the request of Mr. JOHANNIS, his name was added as a cosponsor of amendment No. 4218 intended to be proposed to H.R. 4899, a bill making emergency supplemental appropriations for disaster relief and summer jobs for the fiscal year ending September 30, 2010, and for other purposes.

At the request of Ms. COLLINS, the names of the Senator from South Dakota (Mr. THUNE) and the Senator from Wyoming (Mr. BARRASSO) were added as cosponsors of amendment No. 4218 intended to be proposed to H.R. 4899, supra.

## AMENDMENT NO. 4229

At the request of Mr. ENSIGN, the name of the Senator from Missouri (Mr. BOND) was added as a cosponsor of amendment No. 4229 proposed to H.R. 4899, a bill making emergency supplemental appropriations for disaster relief and summer jobs for the fiscal year ending September 30, 2010, and for other purposes.

## AMENDMENT NO. 4230

At the request of Mr. ENSIGN, the name of the Senator from Missouri (Mr. BOND) was added as a cosponsor of amendment No. 4230 proposed to H.R. 4899, a bill making emergency supplemental appropriations for disaster relief and summer jobs for the fiscal year ending September 30, 2010, and for other purposes.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. UDALL of New Mexico (for himself and Mr. BINGAMAN):

S. 3428. A bill to designate the Memorial of Perpetual Tears, which honors victims of driving while impaired, as the official National DWI Victims Memorial; to the Committee on Energy and Natural Resources.

Mr. UDALL of New Mexico. Mr. President, today I introduce the National DWI Victims Memorial Designation Act of 2010, which is cosponsored by my colleague Senator JEFF BINGAMAN. This legislation would designate the DWI Victims Memorial of Perpetual Tears in Moriarty, New Mexico, as the National DWI Victims Memorial.

Opened in 2008, the DWI Victims Memorial of Perpetual Tears is the Nation's first and only memorial of its kind. The Memorial Perpetual Tears helps raise awareness of the devastation caused by driving while impaired, DWI, crashes by recognizing their victims, educating the public, and encouraging preventive measures. The memorial aims to give comfort to the innocent victims of drunk driving and raise awareness of the devastating toll of DWI deaths on our nation's roadways. Located on a four-acre site next to Interstate 40, the Memorial of Perpetual Tears attracts passersby in addition to those who travel specifically to visit the memorial.

The National DWI Victims Memorial Designation Act of 2010 would require that any reference to this memorial in a law, map, regulation, document, record, or other official paper of the United States government refer to the site as the National DWI Victims Memorial. As a Senator from New Mexico, I am proud to seek such an official designation for the DWI Victims Memorial of Perpetual Tears. It is fitting that such a national memorial should be located in the State that once led the Nation in DWI fatalities and now leads the way in drunk driving prevention.

Compared to 20 years ago, our roads are much safer today. Yet even as the overall number of people killed on our roadways has declined, drunk driving still accounts for one third of all traffic fatalities nationwide. In 2008, drunk driving killed about 12,000 Americans, including 143 people in my home State of New Mexico. That is an average of 32 people killed every day by drunk driving. This unacceptable death toll is all the more shocking when you consider that each one of those deaths was preventable.

Although other communities have established remembrance gardens and monuments honoring drunk driving victims, the DWI Victims Memorial of Perpetual Tears is unique. The memorial resembles a veterans cemetery with markers representing the most recent 5-year period of deaths in New Mexico attributed to DWI. The memorial includes a site dedicated to victims of DWI nationwide. The Memorial of Perpetual Tears gives further recognition to innocent victims of DWI nationwide by displaying Victim Tribute books in the memorial visitor center. The Victim Tribute books include stories and pictures submitted by injured victims and family members of those killed in DWI crashes.

The Memorial of Perpetual Tears is a testament to the hard work and dedication of local volunteers who have made this memorial possible. Sonja Britton, the mother of a DWI victim, saw the need for a memorial to those killed by drunk driving on our Nation's roadways. For years, she rallied support and found many local residents and others nationwide who were willing to help. Mike, Mary, and Ralph Anaya and their family provided key support by donating prime real estate next to Interstate 40 to give the memorial a fitting location. Thanks to the efforts of so many, the Memorial of Perpetual Tears today provides a focal point where families can gather to mourn the loss of loved ones as well as join with others to promote DWI awareness and prevention.

Having a National DWI Victims Memorial gives us another resource in the fight to end drunk driving. I share Sonja's vision that one day we will have no more senseless deaths caused by DWI crashes. As she says most eloquently, "My dream will be realized when this mission is achieved and when our loved ones will no longer be injured or killed by alcohol-related traffic crashes. We must stop this carnage."

Working together, we can make Sonja's dream a reality.

I urge all my colleagues to support this legislation and to join Senator BINGAMAN and me in celebrating the work of the volunteers who have made the DWI Victims Memorial of Perpetual Tears possible.

By Ms. SNOWE (for herself and Ms. LANDRIEU):

S. 3430. A bill to amend the Internal Revenue Code of 1986 to expand the tip tax credit to employers of cosmetologists and to promote tax compliance in the cosmetology sector; to the Committee on Finance.

Ms. SNOWE. Mr. President, as Ranking Member of the Senate Small Business Committee, I am delighted to rise today, during National Small Business Week, with Senator LANDRIEU, who is Chair of the Committee, to introduce the Small Business Tax Equalization and Compliance Act.

Our bipartisan measure is a pro-small business bill and would allow the salon

industry to have the same tax rules on tips paid to employees as is permitted in the restaurant industry. The legislation would increase compliance with payroll tax obligations and will make sure that the women who work in the salon industry earn all the Social Security retirement and disability benefits they should be entitled to. It would also help to prevent salons that do not follow the tax law from gaining a competitive disadvantage against those that do follow the law. The companion bill in the House is H.R. 3724, which was introduced Representative SHELLEY BERKLEY and Representative KEVIN BRADY.

Clearly this legislation will help all parts of the salon industry, big and small, men and women. But the reality is that because 84 percent of the workforce in the salon industry is female, this issue has special relevance for women. When women work as independent contractors at hair salons, they are less likely to disclose all of their tips for purposes of paying Social Security taxes. As a result, they reduce their future right to earn retirement and disability benefits in the Social Security system and reduce the size of any benefit they do ultimately earn. Making sure that working women are correctly paying into Social Security is critical to their future retirement security because many of these women will have had no other retirement benefits available to them.

We know that women are disproportionately dependent on Social Security for their retirement benefits, a March 2010 study by the Women for Women's Policy Research showed that women's Social Security benefits in 2008 were only about 75 percent of the benefits earned by men and it comprised about half of their total retirement income. By contrast, Social Security benefits comprised roughly one third of men's retirement income. Earning the right to collect a decent Social Security benefit is vital to women.

As a small business issue, salons are a quintessential small business on Main Streets across America. According to the U.S. Census Bureau, 98 percent of salon industry firms have only one establishment; 92 percent of salon establishments have sales of less than \$500,000; and 82 percent of salon establishments have fewer than 10 employees. Extending the tip tax credit to salon owners would allow them to reinvest in their businesses and employees, create new jobs, granting new economic and employment opportunities in their local communities.

I specifically want to explain what this legislation would do. First, it would provide the salon industry with the same type of tax credit currently available in the restaurant industry. The credit is for employers to offset the matching Social Security and Medicare taxes that the salon pays on the tips that employees receive from customers. Next, the bill would help to make more even-handed IRS enforce-

ment of laws on payroll and income taxes. Without this legislation it is often the lopsided practice of the IRS to seek back taxes from the employer but rarely from the employee or independent contractor despite the requirement that taxes be paid in equal measure.

The legislation will protect both legitimate independent contractors and employees who pay their taxes but frees up IRS resources to focus on those bad actors who are not complying with the law. Although non-employer salons comprise 87 percent of establishments, their reported sales represent only 36 percent of total salon industry revenues, implying a significant underreporting of income in the non-employer segment. This legislation includes education and reporting requirements which will help address the "tax gap" and reveal a valuable new source of tax revenues for the federal Government. This is a win-win-win for the salons, for employees, and for the government.

This bill is supported by the Professional Beauty Association, the largest association in the professional beauty industry, which is comprised of salon and spa owners, manufacturers and distributors of salon and spa products, and individual licensed cosmetologists.

Finally, I want to thank two salon owners who brought this issue to my attention, Alan Labos of Akari Salon in Portland, Maine and Tiffany Conway of bei capelli salon in Scarborough, Maine.

In conclusion, I urge my colleagues on both sides of the aisle to support our bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3430

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Small Business Tax Equalization and Compliance Act of 2010".

**SEC. 2. EXPANSION OF CREDIT FOR PORTION OF SOCIAL SECURITY TAXES PAID WITH RESPECT TO EMPLOYEE TIPS.**

(a) **EXPANSION OF CREDIT TO OTHER LINES OF BUSINESS.**—Paragraph (2) of section 45B(b) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) **APPLICATION ONLY TO CERTAIN LINES OF BUSINESS.**—In applying paragraph (1), there shall be taken into account only tips received from customers or clients in connection with—

"(A) the providing, delivering, or serving of food or beverages for consumption if the tipping of employees delivering or serving food or beverages by customers is customary, or

"(B) the providing of any cosmetology service for customers or clients at a facility licensed to provide such service if the tipping of employees providing such service is customary."

(b) **DEFINITION OF COSMETOLOGY SERVICE.**—Section 45B of the Internal Revenue Code of 1986 is amended by redesignating subsections

(c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) **COSMETOLOGY SERVICE.**—For purposes of this section, the term 'cosmetology service' means—

"(1) hairdressing,  
 "(2) haircutting,  
 "(3) manicures and pedicures,  
 "(4) body waxing, facials, mud packs, wraps, and other similar skin treatments, and

"(5) any other beauty-related service provided at a facility at which a majority of the services provided (as determined on the basis of gross revenue) are described in paragraphs (1) through (4)."

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to tips received for services performed after December 31, 2009.

**SEC. 3. INFORMATION REPORTING AND TAXPAYER EDUCATION FOR PROVIDERS OF COSMETOLOGY SERVICES.**

(a) **IN GENERAL.**—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by adding after section 6050W the following new section:

**"SEC. 6050X. RETURNS RELATING TO COSMETOLOGY SERVICES AND INFORMATION TO BE PROVIDED TO COSMETOLOGISTS.**

"(a) **IN GENERAL.**—Every person (referred to in this section as a 'reporting person') who—

"(1) employs 1 or more cosmetologists to provide any cosmetology service,

"(2) rents a chair to 1 or more cosmetologists to provide any cosmetology service on at least 5 calendar days during a calendar year, or

"(3) in connection with its trade or business or rental activity, otherwise receives compensation from, or pays compensation to, 1 or more cosmetologists for the right to provide cosmetology services to, or for cosmetology services provided to, third-party patrons,

shall comply with the return requirements of subsection (b) and the taxpayer education requirements of subsection (c).

"(b) **RETURN REQUIREMENTS.**—The return requirements of this subsection are met by a reporting person if the requirements of each of the following paragraphs applicable to such person are met.

"(1) **EMPLOYEES.**—In the case of a reporting person who employs 1 or more cosmetologists to provide cosmetology services, the requirements of this paragraph are met if such person meets the requirements of sections 6051 (relating to receipts for employees) and 6053(b) (relating to tip reporting) with respect to each such employee.

"(2) **INDEPENDENT CONTRACTORS.**—In the case of a reporting person who pays compensation to 1 or more cosmetologists (other than as employees) for cosmetology services provided to third-party patrons, the requirements of this paragraph are met if such person meets the applicable requirements of section 6041 (relating to returns filed by persons making payments of \$600 or more in the course of a trade or business), section 6041A (relating to returns to be filed by service-recipients who pay more than \$600 in a calendar year for services from a service provider), and each other provision of this subpart that may be applicable to such compensation.

"(3) **CHAIR RENTERS.**—

"(A) **IN GENERAL.**—In the case of a reporting person who receives rent or other fees or compensation from 1 or more cosmetologists for use of a chair or for rights to provide any

cosmetology service at a salon or other similar facility for more than 5 days in a calendar year, the requirements of this paragraph are met if such person—

“(i) makes a return, according to the forms or regulations prescribed by the Secretary, setting forth the name, address, and TIN of each such cosmetologist and the amount received from each such cosmetologist, and

“(ii) furnishes to each cosmetologist whose name is required to be set forth on such return a written statement showing—

“(I) the name, address, and phone number of the information contact of the reporting person,

“(II) the amount received from such cosmetologist, and

“(III) a statement informing such cosmetologist that (as required by this section), the reporting person has advised the Internal Revenue Service that the cosmetologist provided cosmetology services during the calendar year to which the statement relates.

“(B) METHOD AND TIME FOR PROVIDING STATEMENT.—The written statement required by clause (ii) of subparagraph (A) shall be furnished (either in person or by first-class mail which includes adequate notice that the statement or information is enclosed) to the person on or before January 31 of the year following the calendar year for which the return under clause (i) of subparagraph (A) is to be made.

“(C) TAXPAYER EDUCATION REQUIREMENTS.—In the case of a reporting person who is required to provide a statement pursuant to subsection (b), the requirements of this subsection are met if such person provides to each such cosmetologist annually a publication, as designated by the Secretary, describing—

“(1) in the case of an employee, the tax and tip reporting obligations of employees, and

“(2) in the case of a cosmetologist who is not an employee of the reporting person, the tax obligations of independent contractors or proprietorships.

The publications shall be furnished either in person or by first-class mail which includes adequate notice that the publication is enclosed.

“(d) DEFINITIONS.—For purposes of this section—

“(1) COSMETOLOGIST.—

“(A) IN GENERAL.—The term ‘cosmetologist’ means an individual who provides any cosmetology service.

“(B) ANTI-AVOIDANCE RULE.—The Secretary may by regulation or ruling expand the term ‘cosmetologist’ to include any entity or arrangement if the Secretary determines that entities are being formed to circumvent the reporting requirements of this section.

“(2) COSMETOLOGY SERVICE.—The term ‘cosmetology service’ has the meaning given to such term by section 45B(c).

“(3) CHAIR.—The term ‘chair’ includes a chair, booth, or other furniture or equipment from which an individual provides a cosmetology service (determined without regard to whether the cosmetologist is entitled to use a specific chair, booth, or other similar furniture or equipment or has an exclusive right to use any such chair, booth, or other similar furniture or equipment).

“(e) EXCEPTIONS FOR CERTAIN EMPLOYEES.—Subsection (c) shall not apply to a reporting person with respect to an employee who is employed in a capacity for which tipping (or sharing tips) is not customary.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 6724(d)(1)(B) of the Internal Revenue Code of 1986 (relating to the definition of information returns) is amended by striking “or” at the end of clause (xxiv), by striking “and” at the end of clause (xxv) and inserting “or”, and by adding after clause (xxv) the following new clause:

“(xxvi) section 6050X(a) (relating to returns by cosmetology service providers), and”.

(2) Section 6724(d)(2) of such Code is amended by striking “or” at the end of subparagraph (GG), by striking the period at the end of subparagraph (HH) and inserting “, or”, and by inserting after subparagraph (HH) the following new subparagraph:

“(II) subsections (b)(3)(A)(ii) and (c) of section 6050X (relating to cosmetology service providers) even if the recipient is not a payee.”.

(3) The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by adding after the item relating to section 6050W the following new item:

“Sec. 6050X. Returns relating to cosmetology services and information to be provided to cosmetologists.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 2009.

## SUBMITTED RESOLUTIONS

### SENATE RESOLUTION 540—HONORING THE ENTREPRENEURIAL SPIRIT OF SMALL BUSINESSES IN THE UNITED STATES DURING “NATIONAL SMALL BUSINESS WEEK”, BEGINNING MAY 23, 2010

Ms. LANDRIEU (for herself, Ms. SNOWE, Ms. CANTWELL, Mrs. SHAHEEN, Mr. KERRY, Mr. BAYH, Mr. CARDIN, Mr. BOND, Mr. VITTER, Mr. ENZI, Mr. ISAKSON, Mr. WICKER, Mr. RISCH, and Mr. THUNE) submitted the following resolution; which was considered and agreed to:

S. RES. 540

Whereas the approximately 29,600,000 small businesses in the United States are the driving force behind the economy of the Nation, creating more than 64 percent of all net new jobs and generating more than 50 percent of the non-farm gross domestic product of the Nation;

Whereas small businesses will play an integral role in rebuilding the economy of the Nation;

Whereas small businesses are the Nation’s innovators, producing 13 times more patents per employee as large firms, and advancing technology and productivity;

Whereas only 1 percent of all small businesses export and produce 31 percent of exported goods;

Whereas Congress established the Small Business Administration in 1953 to aid, counsel, assist, and protect the interests of small businesses in order to preserve free and competitive enterprise, to ensure that a fair proportion of the total purchases, contracts, and subcontracts for property and services for the Federal Government are placed with small businesses, to make certain that a fair proportion of the total sales of Federal Government property are made to such small businesses, and to maintain and strengthen the overall economy of the Nation;

Whereas every year since 1963 the President of the United States has proclaimed a National Small Business Week to recognize the contributions of small businesses to the economic well-being of the United States;

Whereas in 2010, “National Small Business Week” will honor the estimated 29,600,000 small businesses in the United States;

Whereas the Small Business Administration has helped small businesses with access

to critical lending opportunities, protected small businesses from excessive Federal regulatory enforcement, played a key role in ensuring full and open competition for government contracts, and improved the economic environment in which small business concerns compete;

Whereas for more than 50 years, the Small Business Administration has helped millions of entrepreneurs achieve the American dream of owning a small business and has played a key role in fostering economic growth; and

Whereas the President has designated the week beginning May 23, 2010, as “National Small Business Week”: Now, therefore, be it

*Resolved*, That the Senate—

(1) honors the entrepreneurial spirit of small businesses in the United States during “National Small Business Week”, beginning May 23, 2010;

(2) applauds the efforts and achievements of the owners of small businesses and their employees, whose hard work and commitment to excellence have made them a key part of the economic vitality of the Nation;

(3) recognizes the work of the Small Business Administration and its resource partners in providing assistance to entrepreneurs and small businesses; and

(4) recognizes the importance of ensuring that—

(A) the applicable procurement goals for small businesses, including the goals for small businesses owned and controlled by service-disabled veterans, small businesses owned and controlled by women, HUBZone small businesses, and socially and economically disadvantaged small businesses, are reached by all Federal agencies;

(B) guaranteed loans and microloans for start-up and growing small businesses, are made available to all qualified small businesses;

(C) the management assistance programs delivered by resource partners on behalf of the Small Business Administration, such as Small Business Development Centers, Women’s Business Centers, Veterans Business Outreach Centers, and the Service Corps of Retired Executives, are provided with the Federal resources necessary to provide small businesses the technical assistance and counseling that they desperately need;

(D) small business disaster assistance through the Small Business Administration is provided in a timely and efficient manner;

(E) Federal tax policy spurs small business growth, creates jobs, and increases competitiveness;

(F) the Federal Government reduces the regulatory compliance burden on small businesses;

(G) advanced technology policy facilitates access to affordable broadband Internet service to foster rural small business growth; and

(H) systems of intellectual property protection continues to foster small business innovation.

## AMENDMENTS SUBMITTED AND PROPOSED

SA 4236. Mr. NELSON of Florida (for himself and Mr. LEMIEUX) submitted an amendment intended to be proposed by him to the bill H.R. 4899, making emergency supplemental appropriations for disaster relief and summer jobs for the fiscal year ending September 30, 2010, and for other purposes; which was ordered to lie on the table.

SA 4237. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 4899, supra; which was ordered to lie on the table.

SA 4238. Mr. VITTER submitted an amendment intended to be proposed by him to the