would increase non-defense, non-emergency spending by $22.5 billion for next fiscal year, with such spending to rise 2.4 percent in each of the next three years. To pay for these increases, the proposals would raise taxes by close to $400 billion over five years—about $100 more than what was passed in the Senate.

Heavens, I said to myself, what can Robert Novak possibly be talking about? The Demo-
cratic budget (pdf, h/t, The Gavel) does not act-
ually increase spending.

And yet this claim that the Democrats’ budget contains a tax increase is being cited all over. What’s up?

Novak gives us a clue: “It had been assumed that the new Demo-
cratic Congress and President Bush’s relief in capital gains dividend and estate taxation. The simultaneous rollback of tax laws written and enacted by Republicans alone. That does not count as increasing taxes.”

Michaelena Whitaker: Thursday April 5, 2007, 11:21 am

Ditto, Blue . . . it’s all a political ploy, as usual (“High Treason” has been THE neocon agenda since the Bush Administration.)

Indigo Star Nation: Saturday April 7, 2007, 11:14 pm

Impeachment is the only way to end these atrocities and reclaim America’s conscience and honor.


Read this thread and take action to impeach. Also follow my news shares on withholding your taxes as a protest.

SMALL BUSINESS TAX BURDEN

Ms. SNOWE. Mr. President, today millions of taxpayers, many owners of small businesses, will file their income returns and face taxation when the Democrats took over, but to put it another way, equal- ly disasters flooding, wind damage, and power outages. As citizens file their taxes this week, I am very happy to say that a wide majority of Mainers and Americans alike will be fully compliant in reporting the appropriate amount of income, with the Internal Revenue Service estimating 84 percent of taxpayers are compliant. The unfortunate flip side to that statistic is that 16 percent of taxpayers overreport income or underreport income and thus fail to pay all the taxes owed. This misreporting of income has resulted in a $345 billion gross tax gap, which is the difference between taxes owed and paid.

Unquestionably, we must ensure that taxes owed are paid. While the Congressional Budget Office, CBO, projects a deficit of around $200 billion this fiscal year without any adjustment through 2011, the fact remains that narrowing the tax gap would help reduce the deficit—plain and simple. Not only does the tax gap prevent us from balancing the budget, equally disrespectful for the tax system and can lead to the further shirking of obliga-
tions. The result could be that, to fill the gap, law-abiding taxpayers would be forced to pay higher taxes. Consider the following: According to preliminary IRS data, for 2005, taxpayers filed 134.5 million individual income tax returns. If we were to shrink the tax gap, each of those returns would have to be assessed additional tax in the amount of $2,566. I would not want to be in position to ask my constituents for more of their hard-earned money, especially to cover those who are not paying their fair share.

Last year, the Treasury Department issued “A Comprehensive Strategy for Reducing the Tax Gap.” This document astutely points out, the Tax Code’s complexity is itself a significant source of noncompliance. The current Tax Code costs the Government revenue since even those who try their best to follow the rules, often end up underpaying tax because the rules are too complicated and difficult to decipher. Therefore, any solution to the tax gap must also require simplifying the Tax Code.

A top priority I hear from small businesses across Maine and this country is the need for tax relief. Despite the fact that small businesses are the real job-creators for Maine’s and our Nation’s economy, the current tax system is placing an entirely unreasonable burden on them when trying to satisfy their tax obligations. The current Tax Code imposes a large, and expensive, burden on all taxpayers in terms of satisfying their reporting and record-keeping obligations. The problem, though, is that small companies are disadvantaged most in terms of the money and time spent in satisfying their tax obligation.

For example, according to the Small Business Administration’s Office of Advocacy, small businesses spend an average of 8 billion hours each year complying with Government reports. They also spend more than 80 percent of this time on competing tax forms. What’s even more troubling is that companies that employ fewer than 20 employees spend nearly $1,301 per employee in tax compliance costs, an amount that is nearly 67 percent more than larger firms. A recent survey by the National Federation of Independent Businesses found that 88 percent of small-employer taxpayers used a tax profes-
sional and the two reasons small-employer taxpayers most frequently cite for using tax professionals are to assure compliance and the complexity of the law.

For that reason, I have introduced a package of proposals that will provide not only targeted, affordable tax relief to small business owners, but also simpler rules under the Tax Code. By simplifying the Tax Code, small business owners will be able to satisfy their tax obligations in a cheaper, more efficient manner, allowing them to be able to devote more time and resources to their business.

I have introduced legislation, S. 269, in response to the repeated requests from small businesses in Maine and from across the Nation to allow them to expense more of their investments, like the purchase of essential new equipment. My bill modifies the Internal Revenue Code by doubling the amount a small business can expense
resources. This simply does not make greater flexibility in choosing a tax-burden on businesses with greater resources rates the unfair result of allowing larger keeps its books on that basis. This creates a choice of tax-
ates the unfair result of allowing larger businesses to adopt a calendar year for small businesses, but businesses will qualify for this benefit which are small businesses, to adopt a calendar year that best suits their business. In 1986, Congress produced with Senators LINCOLN, HUTCHISON, and KERRY that reduces from 39 to 15 years the depreciable life of improvements that are made to retail stores that are owned by the retailers. Up to now, the law only allows retailers that lease their property are allowed this accelerated depreciation, which means it excludes retailers that also own the property in which they operate. My bill simply seeks to providefor reporting to all retailers.

Specifically, this bill will simply conform the Tax Code to the realities that retailers on Main Street face. Studies conducted by the Treasury Department, Congressional Research Service and private economists have all found that the 39-year depreciation life for buildings is too long and that the 39-year depreciation life for building improvements is even worse. Retailers report turning over their stores every 5 to 7 years to reflect changes in customer base and compete with newer stores. Moreover, many improvements such as interior partitions, ceiling tiles, restroom accessories, and paint, may only last a few years before requiring replacement.

Finally, I joined Senator BOND in introducing S. 296 that will simplify the Tax Code by permitting small business owners to use the cash method of accounting for whatever 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, small businesses will be relieved of the burdensome recordkeeping requirements that they currently must undertake in reporting their income under a different accounting method.

This package of provisions is a tremendous opportunity to help small enterprisers succeed by providing an incentive for reinvestment and leaving them more of their earnings to do just that. Notably, providing tax relief by passing these simplification measures will also help us reduce the tax gap by increasing compliance. I urge my colleagues to join me in supporting these proposals.

ADDITIONAL STATEMENTS

INVENT IOWA PROGRAM

Mr. HARKIN. Mr. President, on April 21, some 360 young Iowa inventors will gather at Hilton Coliseum on the campus of Iowa State University for the Invent Iowa 2007 State Convention. This will mark the 20th year for Invent Iowa.

Over the last two decades, thousands of Iowa students have participated in this important statewide event. The annual Invent Convention has showcased the skill, imagination and creativity of some of our best and brightest—and most creative—youngsters.

From the Motorized Guinea Pig Wheel invented by Ben and Marta of Spirit Lake to the Ooops! Proof Nopspill Feeding Bowl invented by Alexis Abernathy of Cedar Rapids, students have created innovative solutions to everyday problems.

In celebration of these, he needed to figure out a way for his guinea pig, Freckles, to get some exercise without running around the house and annoying his mother. Alexis got the idea for her invention by watching a 2-year-old child spill his cereal again and again. These two inventions were creative solutions that earned recognition for the young inventors. In the last 20 years, there have been thousands of other inventions.

Each year, approximately 30,000 Iowa students begin the journey to the State Convention by participating in local and regional competitions. The staffs from Iowa’s Area Education Agencies do a tremendous job of educating educators on curriculum ideas and setting up the regional events. Since the inception of the program in 1987, more than half a million students have participated in Invent Iowa.

The seed for Invent Iowa was planted at a statewide conference I sponsored in conjunction with Iowa State University in 1986 on the future of Iowa communities. In his keynote address, David Maynard from the National Local Self-Reliance focused on the need to rekindle the spirit of innovation in the United States, and he also spoke of his experience as a judge for the Minnesota Metropolitan Young Inventor’s Fair. Following that event, my office, led by Dianne Liepa, began working with Carol McDaniels Bradley at the Iowa Department of Education, statewide education groups, nonprofit organizations and businesses to form a steering committee to establish the Invent Iowa program for students. Invent Iowa was born.

In 1989, the Invent Iowa Board of Directors contracted with the Belin-Blank Center for Gifted Education and Talent Development at the University of Iowa to serve as the home for the organization’s State coordinator. Eleven years later, Invent Iowa would become a program under the full direction of Belin-Blank. Under the leadership of the dedicated staff at Belin-Blank, Invent Iowa has grown and flourished.

In particular, I would like to salute the excellent work of Dr. Nicholas Colangelo, director of the Belin-Blank Center, and Dr. Carol McDaniels Bradley who has served a dual role as administrator of Rural Schools Programs and Inventiveness Programs at Belin-Blank as well as State coordinator for Invent Iowa. They have been tireless advocates for the program and are dedicated to its success far into the future.

Invent Iowa is a great program, and I am very proud to recognize all of the