stronger, and together we will one day find success.

PROVIDING SMALL BUSINESSES WITH TARGETED TAX RELIEF AND REGULATORY REFORM

Ms. SNOWE. Mr. President, I rise today to commemorate “National Small Business Week, which President Bush designated for April 22–28, 2007. As the ranking member of the Senate Committee on Small Business and Entrepreneurship, I simply cannot understatement the vital role of small business in our Nation’s economy. There was a time when “what was good for General Motors was good for America.” But the fact is what’s truly good for this country—what built it, what sustains it, what drives it, and what represents its core—are the small businesses that each and every year create nearly three-quarters of all net new jobs and contributing 51 percent of payroll revenue code by doubling the expensing limit and indexing these amounts for inflation, this bill will achieve two important objectives. First, qualifying businesses will be able to write off more of the equipment purchases, including investments of waiting 5, 7, or more years to recover their costs through depreciation. That represents substantial savings both in dollars and in the time small businesses would otherwise have to spend complying with confusing depreciation rules. Moreover, new equipment will contribute to continued productivity growth in the business community, which economic experts have repeatedly stressed is essential to the long-term vitality of our economy.

Second, as a result of this bill, more businesses will qualify for this benefit because the phase-out limit will be increased to $300,000 in new assets purchases. At the same time, small business capital investment will be pumping more money into the economy. This is a win-win for small businesses and the economy as a whole and I am pleased to have Senators LOTT, ISAKSON, CHAMBLISS, and COLLINS join me as co-sponsors of this legislation.

Another proposal that I have introduced, with Senators LINCOLN and LOTT, the Small Business Tax Flexibility Act of 2007, S. 270, will permit start-up small business owners to use a taxable year other than the calendar year if they owe less than $5 million during the tax year. Specifically, the Small Business Tax Flexibility Act of 2007 will permit more taxpayers to use the taxable year most suitable to their business cycle. Until 1986, businesses could elect the taxable year-end that made the most economic sense for the business. In 1986, Congress passed legislation requiring partners and S corporations, many of which are small businesses, to adopt a December 31 tax year. The Tax Code does provide alternatives to the calendar year for small businesses, but the compliance costs and administrative burdens associated with these alternatives prove to be too high for most small businesses to utilize. Meanwhile, C corporations, as large corporations often are, receive much more flexibility in their choice of taxable year. A so-called C corporation can adopt either a calendar year or any fiscal year for tax purposes. The Tax Code provides alternatives to the calendar year for small businesses, but the compliance costs and administrative burdens associated with these alternatives prove to be too high for most small businesses to utilize. I have introduced legislation, S. 209, to provide not only targeted, affordable tax relief to small business owners, but also additional 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. 209, 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 of expenses that will provide not only targeted, affordable tax relief to small business owners, but also additional 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. The Tax Code does provide alternatives to the calendar year for small businesses, but the compliance costs and administrative burdens associated with these alternatives prove to be too high for most small businesses to utilize. Meanwhile, C corporations, as large corporations often are, receive much more flexibility in their choice of taxable year. A so-called C corporation can adopt either a calendar year or any fiscal year for tax purposes. The Tax Code provides alternatives to the calendar year for small businesses, but the compliance costs and administrative burdens associated with these alternatives prove to be too high for most small businesses to utilize. I have introduced a bill, S. 217, 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 retailer. Under current law, only retailers that lease their property are allowed this accelerated depreciation, which makes it extremely difficult for small business owners who also own the property in which they operate. My bill simply seeks to provide equal treatment to all retailers.

Specifically, this bill will simply conform the tax code to the reality 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 27.5-year depreciation life for building improvements is even worse. Retailers generally remodel their stores every five to seven years to reflect changes in customer base and compete with newer 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 to simplify the tax code by permitting small business owners to use the cash method of accounting for reporting their income if they generally earn less than $10 million during the tax year. Currently, only those taxpayers that have taxable income of 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 currently must undertake in reporting their income under a different accounting method.

Earlier this year, I was very pleased when the Senate passed small business tax relief that included portions of my proposals on small business expensing, cash method accounting, and accelerating depreciation for improvements to retail-owned property. Sadly, I must report that on the very same week of “National Small Business Week, one of the key proposal amendments that Congress will enact into law. This package of proposals are a tremendous opportunity to help small enterprises 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 reduce the tax gap by increasing compliance. I urge my colleagues to join me in supporting these proposals.

In addition to reforming the tax code, we in Congress should level the
regulatory playing field for small businesses. Over the past 20 years, the number and complexity of Federal regulations have multiplied at an alarming rate. For example, in 2004, the Federal Register contained 75,675 pages, an all-time record. The Office of Information and Regulatory Affairs has identified 4,161 rules. These rules impose a much more significant impact on small businesses compared to their larger counterparts.

To illustrate this conclusion, a recent report prepared for the SBA’s Office of Advocacy that said that in 2004, the per-employee cost of Federal regulations for firms with fewer than 20 employees was $7,647. In contrast, the per-employee cost of Federal regulations for firms with 500 or more workers was $5,282, which results in a 44 percent increase in burden for smaller businesses compared to their larger counterparts.

Clearly, we must find ways to ease the regulatory burden for our nation’s small businesses so that they may continue to create jobs and drive economic growth. In recent years, small businesses have not been able to maintain the staff, or possess the financial resources to comply with complex Federal rules and regulations. This puts them at a disadvantage compared to larger businesses, and reduces the effectiveness of the agency's regulations. If an agency cannot describe how to comply with its regulation, how can we expect a small business to figure it out?

This is why I have offered bipartisan legislation, the Small Business Compliance Assistance Enhancement Act, S. 246, with Senators KERRY, ENZI, and LANDRIEU, which would clarify small business requirements that exist under Federal law. Our measure is drawn directly from recommendations put forth by the Government Accountability Office and is intended only to clarify an already existing requirement under the Small Business Regulatory Enforcement Fairness Act, SBREFA, which unanimously passed the Senate in 1996. Specifically, SBREFA would: (1) require small businesses to have a small business compliance guide; (2) require a guide to be available on the Internet; and (3) require that such a guide be designated, revised, and maintained by the agency to which the rule refers. This commonsense, good government reform would provide a major regulatory reform for small businesses at virtually no cost to the Federal Government.

It is clear that in order to ensure our small businesses are able to grow, thrive, and, most importantly, create jobs, we need to simplify the tax code and reduce the regulatory burden. Over the coming months, I will continue to fight to accomplish these commonsense objectives.

WORKERS MEMORIAL DAY

Mr. DODD. Mr. President, Saturday, April 28, is Workers Memorial Day. Tomorrow, working men and women around the world will gather to remember their millions of brothers and sisters who have been injured or killed on the job. I join them in their grief and in their determination to secure a safer future.

Work-related accidents kill Americans with a regularity that calls us to face the realities of the “Death Penalty.” Fifteen deaths every day, and more than 11,000 injuries: They are grimly predictable and often preventable.

Today is for men like Eleazar Torres-Gomez, a laundry worker who was dragged by a dryer belt into a 300-degree industrial dryer, where he burned to death. Sadness at his death is matched by an equal anger-especially when we learn that, in the two years preceding it, his employer was cited more than 170 times for unsafe, illegal working conditions. We remember Eleazar today.

Today is for the 12 miners killed last year in Sago, West Virginia, when an explosion trapped them underground for two days. Only a few years before, the Mine Safety and Health Administration struck down 17 new safety rules for trapped miners—rules that might have saved the miners in Sago. We remember them today.

Today is for the 28 union construction workers killed in Connecticut, 20 years ago this month, when the apartment towers they were building collapsed with a roar, within seconds, into ruined concrete and steel. In the wake of their deaths, we outlawed the dangerous lift-slab construction method that led to the collapse. But we can never replace those lives; today we remember them, too.

How can we honor them? I know this much: Words alone would be an insult. The men and women we remember this Saturday risked their lives so we could lie down and wake up in health and safety and comfort, and merely speaking our gratitude would be emptier than doing nothing. We owe them action.

We owe them action equal to the historic Occupational Safety and Health Act (OSHA), which was passed 37 years ago tomorrow and has saved an estimated 350,000 lives. We need to cover more workers—because more than 8.5 million are not protected by OSHA. We need more resources for inspection and enforcement—because, at the current rate, federal inspectors are only able to examine workplaces, on average, once every 77 years. We need stiffer penalties for employers who knowingly put their workers’ lives at risk—because employers like those who compromised Mr. Torres-Gomez’s life now face a maximum penalty of a simple misdemeanor.

And we need the Occupational Safety and Health Administration to take its work more seriously—because, according to a New York Times report released this week, “the agency has killed dozens of existing and proposed regulations and delayed adopting others.”

Taking these vital steps for workers adds up to more than increased resources or stronger oversight—ultimately, it translates to respect. We owe their memories nothing less. Five thousand seven hundred workers were killed on the job last year, and our economic prosperity is built on their flesh and blood.

More than half a century ago, George Orwell remarked on the disregard that so often goeses manual labor: “It keeps us alive, and we are oblivious of its existence. . . . We are capable of forgetting it as we forget the bolt in our veins.”

Today we pledge ourselves as the exception to that rule. And if we mean our words, we will be the exception tomorrow, and the day after that. For America’s working men and women deserve nothing less than our eternal gratitude and diligence in preventing future workplace tragedies.

INTERNET GAMBLING

Mr. KYL. Mr. President, I rise to express concern that serious violations of the law appear to be occurring and should be aggressively pursued by the IRS and, in turn, prosecuted by the Department of Justice. Specifically, numerous Internet gambling websites may be violating statutes such as 26 U.S.C. 4401 et seq. Section 4401 requires an excise tax equal to 2 percent of the amount of unauthorized wagers. Section 4504 makes clear that the tax applies to wagers “placed” by a person who is in the United States with a person who is a citizen or resident of the United States.

I applaud the indictment in United States v. BFTonsSPORTS.COM and the inclusion of tax evasion charges in counts 14, 15, and 16.

These counts charge that the defendants attempted to “evade and defeat the . . . wagering excise tax” in three ways: (1) by failing to make any wagering excise tax return on or before the last day of the month following the month the wagers were accepted, as required by law, to any proper officer of the Internal Revenue Service, (2) by failing to pay to the Internal Revenue Service the wagering excise tax, and (3) by directing that the wagering funds be sent outside the United States—all in violation of Title 26, United States Code, Section 7201, and Title 18, United States Code, Section 2.

I fully support the needs of the Department of Justice to enforce the wagering excise tax and pursue any persons in violation.

Additionally, it is important to note that extremely large sums of money are at issue; count 14 charges that from January 29, 2001 to on or about February 3, 2002, the sum of approximately $1,094,669,000.00 in taxable wagers were had and received; count 15 charges that from February 4, 2002 to on or about February 2, 2003, the sum of approximately $1,228,874,000.00 in taxable wagers were had and received; and count 16 charges that from February 3, 2003 to on or about February 1, 2004, the sum

April 26, 2007