

had a nexus. The nexus has changed dramatically since that time. That used to be where you would go and actually pick up something, but now it is where you can order something and that can be even moved around the country virtually at will. So we designated some States as not having to do it. Web sites could be set up in that State for people to sell through from anywhere.

So the taxes need to be collected. It needs to be fair, and right now it is not only fundamentally unfair to Main Street retailers, but it is costing States and localities billions in lost revenue. The Supreme Court invited Congress to address this issue, and we stalled. We know that early on the Internet was new, but now everything is done on the Internet. So now is the time for Congress to act.

Many Americans don't realize that when they buy something online or order something from the catalog of a business outside their own State, they still owe the sales tax. I know from being a legislator that was part of what we put in place. There is a form in Wyoming that you can fill out and pay your tax. It is pretty hard to keep track of, particularly on smaller items, but it ought to be easier on big items. And I do know there are about three people who comply with that.

For over a decade Congress has been debating how to best allow States to collect sales tax from the online retailers in a way that puts Main Street businesses on a level playing field with the online retailers. So on February 14, 2013, the bicameral—House and Senate—and bipartisan—Republicans and Democrats—put together the Marketplace Fairness Act that was introduced to close that 20-year loophole that distorts the American marketplace by picking winners and losers, by subsidizing some businesses at the expense of other businesses and subsidizing some taxpayers at the expense of other taxpayers. All businesses in retail sales and all consumers and their purchases should be treated equally.

The bill also empowers States to make the decision themselves. This is not Congress saying what has to be done or whether they collect them. If they choose to collect already existing sales taxes on all online purchases regardless of whether the sale was online or in-store, States will be able to if this bill passes. If they want to keep things the way they are, that is the State's choice. That is why this bill is the States rights bill.

The Marketplace Fairness Act does not tax Internet use, it does not tax Internet services, and it does not raise taxes. It gives States the right to collect what is owed by the purchasing individuals. Some argue that the bill is a disguise to create taxes. It is not. Consumers are already supposed to pay taxes and use taxes in most States for purchases made over the phone, by mail, or by way of the Internet.

Mr. President, in a couple of minutes we are going to have a moment of silence for the tragic events that hap-

pened. I yield the floor for the time to be able to do that.

Mr. REID. Mr. President, I ask unanimous consent for a moment of silence and that the Senator from Wyoming then be again recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOMENT OF SILENCE

The PRESIDING OFFICER. Under the previous order, there will now be a moment of silence to honor the victims of the bombings in Boston, MA.

(Moment of silence.)

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I wish to thank the leader for that moment of silence. I hope everybody in America will keep the people of Boston—particularly those who were injured or lost family members and those who saw the pain and the tragedy—in their prayers. I hope we would keep all the people across America who witnessed that on television or saw the replays of it on television in our prayers, and I hope the recovery will bring Americans together, as happened on 9/11.

MARKETPLACE FAIRNESS ACT

Mr. ENZI. To return to the discussion on marketplace fairness, I mentioned that most consumers are aware they are supposed to pay the tax on purchases that the retailer does not choose to collect at the time of the purchase, so I would like to provide some highlights of what the Marketplace Fairness Act actually accomplishes.

The bill gives the States the right to decide to collect or not collect taxes that are already owed. The legislation would simplify and streamline the country's more than 9,000 diverse State tax jurisdictions and provide 2 options by which States could begin collecting sales taxes from online and catalog purchases.

The bill also carves out small businesses so that they won't be adversely affected by the new law by exempting businesses with less than \$1 million in online or out-of-State sales from the collection requirements until they have had a year in which they have had more than \$1 million worth of sales. This small business exemption will protect small merchants and give new businesses time to get started. As has been mentioned, when they meet that level, then they have to be provided with a program that will do the calculations for them, provide for submitting the revenues, and also hold them harmless for any errors there might be in the program.

So don't let the critics get away with saying this type of simplification can't be done. The different tax rates and jurisdictions are no problem for today's software programs. When you order something online, you have to put in your ZIP Code. The ZIP Code will tell what the tax is from whatever jurisdiction.

As a former mayor and State legislator, I strongly favor allowing States

the authority to require sales and use tax collection from retailers on all sales for each State that chooses to do so. We need to implement a plan that will allow States to collect revenue using mechanisms already approved by their local leaders. We need to allow States the ability to collect the sales taxes they already require.

If enacted, it would provide approximately \$23 billion in fiscal relief for States for which Congress does not have to find an offset. This will give States less of an excuse to come knocking at the Federal door for handouts and will reduce the problem of federally attached strings.

A lot of people don't realize that the Federal Government is out of money, and that is shown by what was done through the sequester because the Federal Government usually pays property tax to States and localities that have Federal property. That amount has never been equal to what other people would be paying in their property taxes, but it has been a show of good faith that they recognize that with the government there, there is a loss of revenue and that the Federal Government should do something. So there is a tax level they have been paying. It hasn't gone up much and it hasn't gone down much until this year. Then, as part of the sequester, they decided they would hold 5.3 percent from all the States and all the local governments. That is called payment in lieu of taxes, and that is one way the States and the counties have lost money and a way they are going to have to make up for it if that continues. But there is also the possibility that the revenue they take in from this can reduce something like property taxes.

For many years I have worked with all the interested parties to find a mutually agreeable legislative package to introduce and ultimately enact into public law. This year Senators DURBIN, ALEXANDER, HEITKAMP, and I worked together with 25 of our bipartisan Senate colleagues to produce a bill that assists sellers and State and local governments to simplify taxes and use collection and administration. We are working with our House supporters—Representatives STEVE WOMACK, JACKIE SPEIER, PETER WELCH, and JOHN CONYERS—and have found common ground on this important issue to move forward with a bipartisan, bicameral bill in this Congress. I wish to publicly commend all of my Senate and House colleagues in taking a leadership role and working on this important issue.

The Marketplace Fairness Act is about States rights, and it is about fairness on the budget bill. We had a vote on this, and I was very pleased that 75 of the 100 Senators voted in favor of making the marketplace fair. So I strongly encourage my colleagues to vote for the motion to proceed on S. 743, the Marketplace Fairness Act, tonight at 5:30 when we have that vote. I