



Congressional Record

PROCEEDINGS AND DEBATES OF THE *108th* CONGRESS, SECOND SESSION

THURSDAY, APRIL 29, 2004

Senate

INTERNET TAX NONDISCRIMINATION ACT (Cont.)

Mr. CARPER. Mr. President, the question here today is not whether we want to tax people's access to the Internet. We don't. None of us want to do that. That is not the issue.

The question is, are we going to say to State and local governments that have collected a portion of their taxes for years from telecommunications, from telephone services, are we going to take away their ability to do that? We are going to reduce their ability to do that? We are going to reduce their revenue base but at the same time, whatever shortfall they realize, we are not going to make up for it?

Ever since the time of Alexander Graham Bell, State and local governments have been collecting taxes on traditional telephone services. What is at issue here is whether we are going to empty the State and local treasuries to the tune of as much as \$20 billion in the years ahead, at a time when they are facing the greatest fiscal crisis they have faced since World War II.

Are we going to empty the treasury of California by another \$836 million? It is already empty. Do we want to empty the treasury of the State of Connecticut by some \$170 million, or \$265 million out of Kentucky's treasury, or \$110 million out of Louisiana's Treasury, or \$225 million out of

Massachusetts' treasury, or \$360 million out of Michigan's treasury, or \$285 million out of Minnesota's treasury, or \$600 million out of New Jersey's treasury, or \$370 million out of North Carolina's treasury, or \$358 million out of Tennessee's treasury, or \$200 million out of Wisconsin's treasury? The list goes on.

I have said on the Senate floor before and I will say it again: If we want to do something good for the telecommunications industry—I do, and I am supportive of a number of other initiatives for the industry—if we are supportive of tax credits or allowing companies to expense their investments, we should pay for it as Federal legislators. It is wrong for us to say we are going to give a break to the telecommunications industry, or any other industry, and say not only are we not going to pay for it, but we will tell the State and local governments they have to pay for it. In my view, that is wrong. That is not treating other people the way we want to be treated, and it is something we shouldn't countenance today.

We are going to vote on cloture in a short while with respect to the McCain amendment. Let me say this: There is a reasonable compromise between where Senator Alexander and I stand and where Senator McCain stands. There is a reasonable compromise. We will get to that

compromise with a “no” vote on cloture. I am convinced that we will get it.

I stood here last week and urged people to vote no on the cloture on the Frist bill on asbestos. I said if we do it, we will create a dynamic where real compromise and consensus can be built around asbestos—a very difficult issue. We voted no on cloture, and as we gather here right now, over in SH-216 in Hart there are serious meetings going on to get us to a real settlement on asbestos.

We need real negotiation. A “no” vote on cloture on McCain does not end prospects for consensus, but it actually creates it. I urge my colleagues to vote no.