

flag crease by crease, and finally gave the triangular-folded flag to the young man's mother. Although she was crying, she was beaming with pride that this last tribute was given to her son. But the White House is saying: No, we do not want the American people to see those flag-draped coffins because it tells the truth about the cost of this war. The administration wants those images hidden because it is not good for reelection.

President Bush uses a lot of broad language and imagery when he speaks. It makes him sound determined and decisive, but when you get behind that facade and look at the actions, you see flip-flop. Make no mistake about it, George W. Bush knows exactly what flip-flopping is. It takes one to know one.

I close with the comment about an election that took place a few years ago in Georgia when a beloved comrade of ours—no legs, one arm left after his tour of duty in Vietnam—lost an election because he was declared to be soft on defense. The words almost were unpatriotic, and he lost an election because he was soft on defense—three limbs left behind in Vietnam, an American tragedy of the worst order.

Now the same thing is happening with our colleague, Senator JOHN KERRY, in trying to paint him as soft on defense, unwilling to support the soldiers, unwilling to buy the material that is needed to protect themselves. It is an insult not just to those veterans but to every American. Those are the actions of a chicken hawk. I had a drawing of a chicken hawk here. A chicken hawk is someone who makes wars for other people to serve.

We know President Bush's record is very hard to come by. It is all obscured with was he there or wasn't he there. We know one thing, he wasn't there more than he was there.

Vice President CHENEY had five deferments and said, during that war when Americans across our country were being called on to fight to perhaps sacrifice limb or life, he had other priorities. It is a bad game, but I hope the American people will be aware of what is taking place.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Madam President, how much time do I have remaining?

The PRESIDING OFFICER. There are 9 minutes 20 seconds remaining.

The Senator from Arkansas is recognized.

Mr. PRYOR. I thank the Chair.

(The remarks of Mr. PRYOR pertaining to the submission of S. Res. 420 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

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#### SALES TAX

Mr. FRIST. Mr. President, this morning with my opening statement, I noted that most of the next 22 days on

the floor of the Senate will focus on the safety and security of the American people. In addition, at the conference level, there are a number of other issues being discussed—like the FSC/ETI JOBS bills and the transportation bill for example. I want to speak to the FSC/ETI JOBS bill very briefly.

There is a provision in that bill that is very important to families and workers all across Tennessee. It has to do with the deductibility of sales tax. Senator HUTCHISON, Congressman BRADY and Congresswoman BLACKBURN have all worked tirelessly on this issue. The majority leader in the House, Congressman DELAY, has as well. I thank them all for their continued leadership. And I appreciate all they have done to see that State sales tax deductibility was included in the House version of the JOBS bill.

I have heard from countless Tennesseans about their adamant desire to be able to deduct sales tax from their Federal income tax. Again and again it comes back to a matter of equity and fairness. Mr. Henry Branch from Goodlettsville, TN wrote to me, Senator ALEXANDER and Congressman JIM COOPER with his one request.

His words:

I hold that sales tax deductibility should be very seriously considered since continuation of the current status penalizes citizens of all states not having a broad-based income tax. I simply ask that all of you work together to remove the inequity.

A matter of equity.

Mr. James Griggs from Nashville writes:

I cannot conceive of a single reason why states that use a different type of tax system should be punished for it. It seems to me to be a clever ploy to force states into using income taxes instead, a position I strongly stand against. In my opinion, citizens should be able to deduct any kind of tax they pay.

A matter of fairness.

Mr. Robert McCulloch from Knoxville writes:

Having just completed my Federal income tax return for 2003, I am once again reminded how unfairly treated are the good citizens of Tennessee.

As all of these fine Tennesseans point out, enactment of this provision will restore a measure of fairness to the Tax Code that existed up until 1986, but was lost at that point in time. The current Federal Tax Code unfairly encourages States to impose an income tax because part of that cost is borne by the national Treasury. This is wrong. The Federal Government should be neutral on how States decide to raise revenue. States should be able to decide for themselves without the intrusion of Federal tax policy. We must restore equity and fairness to the system.

It also is consistent with the principles of fairness to all taxpayers. Deductibility for State sales taxes was eliminated in 1986, but deductibility for State income taxes was retained. It is long past time to fix this fundamentally unfair and counterproductive result.

If someone at any time wants to debate whether the Federal Tax Code should allow a deduction for any State and local taxes, whether it is a sales tax or an income tax, be that as it may, that debate could take place. But there is no principled reason why sales taxes should be denied a deduction that is applicable to income taxes.

Equally important, including the deductibility of sales tax will also provide a direct boost to consumers and to our economy. For example, in Tennessee alone, almost one-quarter of all taxpayers would receive an average benefit of \$470 each. Citizens in States such as Texas, South Dakota and Tennessee could use that money to buy school supplies, to invest in their businesses, to make a downpayment for a car, to pay off some of those credit card bills.

This provision takes relatively little from the Federal Treasury but monumentally changes the lives and livelihoods of the 54 million Americans living in States that have chosen not to impose an income tax.

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#### FSC/ETI JOBS CONFERENCE

Mr. FRIST. I am hopeful that the House will appoint its conferees to the FSC/ETI JOBS conference so we can start producing this important conference report which affects manufacturing jobs throughout America. I am optimistic that when the conference report is finished, it will include this very important provision on State sales tax deductibility.

I yield the floor.

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#### SALES TAX DEDUCTIBILITY

Mr. DASCHLE. Mr. President, I rise to talk about a matter of simple tax fairness for the citizens of my State.

South Dakota, like several other States, has no State income tax. Our State relies on sales tax to pay for schools, police departments, and other critical needs.

While people in other States can deduct their State income taxes from their Federal taxes, people in States without income taxes do not get a corresponding deduction for the State sales tax that they pay. Those people are losing out on a deduction they deserve.

I strongly support fixing this unfairness, and last year I and a number of my colleagues introduced a bill to do that. I also agree with the bipartisan group of my colleagues—including Senators FRIST, HUTCHISON, CANTWELL, MURRAY, and ENZI—who point out that we can fix this problem now in the FSC/ETI bill. The sales tax fix will be part of that conference.

We in the Senate have appointed conferees and are ready to roll up our sleeves and get to work on the conference. However, the House has yet to appoint conferees so our work can begin.

I do not understand what the House is waiting for because this is important