

# Forbes

## Hugh Hewitt's Phony Budget Accounting In Defense Of The Mortgage Interest Deduction

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Among the various columns decrying the current state of tax reform over the last few days, Hugh Hewitt's Tuesday might be the very worst. His column in the Washington Post is a dishonest amalgam of half-baked ideas and inane suggestions colored by an obvious bone thrown to a powerful lobbying group.

His premise is that the current iteration is politically untenable--a point that's plausible--and suggests that we begin by restoring every single thing that the real estate lobby wants. At this point I'm not sure if Hewitt is simply ill-informed or else merely a shill for Big Housing. The reality is that we can't give up \$2 trillion in tax revenue over a decade subsidizing wealthy people's homes and still lower everyone's tax rates.

But Hewitt has an idea as to how to raise revenue--first, by repealing the individual mandate. In a flash, Hewitt goes from obsequious to partisan hack unmoored by reality. Doing such a thing would, of course, blow up the exchanges--which I'm sure is his goal--but it would also cost reform a half dozen votes in the Senate that the bill can't afford to lose, so it's completely unrealistic.

His other big revenue idea is to increase the gas tax. The conservative argument would be to move to a vehicle miles fee, which would create something that would function more like a market, but I'm pretty sure Hewitt would reflexively oppose such a thing. However, we only get \$35 billion a year from the gas tax now, so doubling it would only get us another \$350 billion over ten years at most--much less than he wants to return to the Realtors and wealthy home owners. In fact, quadrupling it still won't be enough to do what he wants to do.

He also wants to impose a 5% convenience tax on everything we order online. That would raise about \$20 billion this year and maybe \$250 billion over the next decade if online sales keep growing. That is real money but it's still not enough to replace the tax breaks he wants to maintain for upper income homeowners. And of course his tax revenue proposals are much more regressive than reducing the housing tax breaks, but--again--I doubt that maintaining the current progressivity in the tax code is a priority with him.

America needs to have an honest conversation about taxes and decide whether we want to maintain enormously expensive tax breaks that go overwhelmingly to well-off homeowners and

do nothing to increase home ownership. The cost of maintaining these, honest men and women would acknowledge, is an inability to achieve anything close to what we might consider to be fundamental tax reform.

Hewitt wants to pretend we can keep all of those in place by throwing out a couple of small tax breaks that are political non-starters. It's sloppy and dishonest, and the *Washington Post* should stop publishing such tripe.

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