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Ideas for fiscal compromise do exist, even if incentives don't

By Kyle Wingfield

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It's "Shutdown" Showdown Day in Washington, and we'll be treated to all manner of explanations from each side as to why the *other* guys are the only ones standing in the way of fiscal sanity and world peace. After all, when one side (GOP) insists on negotiating and the other (Democrats) refuses to negotiate, *clearly* it's all one side's fault.

(Eyeroll.)

In the meantime, here's a reminder from former Cato Institute analyst Scott Lincicome that there are areas of common ground even between those who are strongly opposed to Big Government and those who are strongly opposed to Big Business (via The Federalist; h/t Ben Domenech's Transom newsletter):

"A popular new article from the far lefties at Common Dreams frighteningly warns that American families pay, on average, \$6000 per year in corporate welfare to the dreaded 'big business.' There's plenty to like in this article, and its general theme -- hardworking American taxpayers forced by Big Government to line the pockets of large, well-connected corporations -- certainly warrants more bipartisan attention (and criticism)." (link original)

The Common Dreams article has seven points -- some of which, Lincicome notes, "eventually veer into confused, anti-business mumbo-jumbo." But he finds agreement with three of the seven (the quotes below are from the Common Dreams article):

"1. \$870 for Direct Subsidies and Grants to Companies. The Cato Institute estimates that the U.S. federal government spends \$100 billion a year on corporate welfare. That's an average of \$870 for each one of America's 115 million families."

"2. \$696 for Business Incentives at the State, County, and City Levels. A New York Times investigation found that states, counties and cities give up over \$80 billion each year to companies... \$696 for every U.S. family."

"6. \$870 for Corporate Tax Subsidies.... [T]he Tax Foundation has concluded that their 'special tax provisions' cost taxpayers over \$100 billion per year, or \$870 per family. Corporate benefits include items such as Graduated Corporate Income, Inventory Property Sales, Research and Experimentation Tax Credit, Accelerated Depreciation, and Deferred taxes."

It's worth noting Common Dreams' sources for two of those three items are considered fiscally conservative groups. Together, the three items come to \$2,436 per family.

If the anti-Big Business left and the anti-Big Government right can agree on items such as that, why aren't we hearing politicians in Washington talk more about them? You can take your pick of reasons, and I'll readily concede one problem is the legitimate philosophical difference about what to do with the results of making such changes (i.e., progressivists would want to spend the found money, while conservatives would be eager to cut taxes elsewhere).

But for my money, the biggest factor is the fact that -- as we're seeing play out right now, and as I touched on in my Sunday AJC print column -- candidates from both major parties are elected these days chiefly on messages and track records of fighting the other side, not finding areas of common ground. Ask yourself: What have President Obama and Senate Majority Leader Harry Reid offered in the way of a concession to GOP demands in order to avoid a shutdown? Nothing, because they talk about needing to avoid a shutdown but would be all too happy to have one because they think it would be a net positive for them politically. Similarly, what Democratic demands might congressional Republicans yield on in order to check off some items from the GOP wish list? See the previous answer.