

The Bipartisan Policy Vacuum

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Last week, I identified the <u>deep level of policy unseriousness</u> in the Republican Party as the principal barrier to tax reform. This week brings fresh evidence that the party simply does not care about looking foolish and apparently pays no price with its base when doing so.

On Wednesday, the House of Representatives voted for the 50th time to repeal the Affordable Care Act. The <u>vote passed</u> the Republican-controlled chamber easily by a vote of 250 to 160, with 27 feckless Democrats going along. As with the previous 49 attempts, this one will go exactly nowhere in the democratically controlled Senate. And if, by some miracle, it passed the Senate, President Obama would instantly veto it.

Therefore, one can say with absolute certainty that this repeal vote, along with all the previous ones and the dozens more that will probably occur before Election Day, are a complete and total waste of time. They don't even pass the test of being symbolically amusing any more. They serve only to remind people that extremism and futility go hand in hand in the GOP. Doing anything meaningful to deal with glaring national problems such as poverty and high unemployment doesn't get 5 minutes of consideration from the Republican leadership.

This week saw Rep. Paul Ryan, Republican of Wisconsin and chair of the House Budget Committee, issue a 200-page report on the failure of the war on poverty, launched by President Lyndon Johnson 50 years ago. Although Ryan is often alleged to be the GOP's top policy wonk, someone who cares about ideas, data and issues, the report was universally panned by experts as shallow, misinformed and a distortion of the record.

In a <u>widely cited report</u> in *The Fiscal Times*, academic experts weighed in on the Ryan report with a mixture of incredulousness and scorn. In a blog post, Duke University health expert Don Taylor <u>ridiculed the Medicaid portion</u> of the report, saying:

I didn't blog about it because the Medicaid portion of the document is really quite bad given that the report was hyped as the precursor to a major policy push by Rep Ryan and House Republicans. It is essentially a poorly done annotated bibliography that would get about a C- in my intro U.S. health system course. The biggest problem with the Medicaid portion of the document is not even the one-sided summary of the literature that is cited that could be forgiven

in such a document, but ignoring the issue of the dual eligibles almost completely in something that is meant to set up the need for Medicaid reform is quite a big miss. So, the document is not serious enough on the Medicaid issue to warrant much blogging time.

The question in my mind is why Ryan bothered. It isn't as if right-wing think tanks like the <u>Heritage Foundation</u> and <u>Cato Institute</u> don't issue reports on almost a daily basis about how lazy moochers take advantage of welfare programs to avoid work and responsibility. These groups would have us believe that <u>heavy taxes on the ultra-wealthy</u> and an <u>excessively generous</u> <u>minimum wage</u> are all that stand between high unemployment and prosperity for all.

When <u>criticized for lacking any economic agenda</u>, Republicans point to tax reform, the one issue they all support. I give House Ways and Means Committee Chairman Dave Camp full credit for moving the debate forward with a substantive proposal <u>along with all the bells and whistles</u> – revenue projections, distribution tables and macroeconomic estimates.

The problem is that Camp <u>wasn't bold enough for his party</u>, settling for a 35 percent top statutory rate rather than the 25 percent rate that most conservatives believe is the absolute maximum that the ultra-wealthy should pay. The right wing *Wall Street Journal* editorial page criticized him for <u>doing nothing to alter the status quo</u>.

Some Republicans are now looking elsewhere for tax reform ideas, especially at the plan devised by Tea Party hero Senator Mike Lee of Utah. Lee's plan avoids all the problems of Camp's by simply ignoring the reform part of tax reform and pushing huge tax cuts for his party's favorite constituency – families with children, of which his Mormon-dominated state has many.

The core idea of tax reform has always been that there are some tax breaks that are illegitimate, unproductive and distortionary. They guide work and investment decisions away from those that would be dictated by the market into areas favored by the tax code. The result is slower growth, unfairness and tax giveaways to the undeserving. Better to clean these tax loopholes out of the code and raise the same revenue with lower, flatter tax rates, tax reformers generally believe.

For Republicans, the "reform" part is dangerous because it means somebody, somewhere might pay more taxes and hence would violate the <u>rigid tax pledge</u> that is the foundation of Republican tax policy. Better to just stick with tax cuts, label it "reform" even if it is nothing of the kind and promise something for nothing for everyone. That is the approach Senator Lee chose.

This week, the nonpartisan Tax Policy Center exposed the Lee plan for the unserious tax giveaway that it is, lacking even the pretense of any meaningful reform. According to a March 4 analysis, it would reduce federal revenues by \$2.4 trillion in its first 10 years and remove an additional 12 million taxpayers from the tax rolls, even though Republicans routinely castigate those with no income tax liability as parasites.

For example, popular conservative blowhard Ted Nugent recently said that those who pay no federal taxes should not be permitted to vote. Rep. Rob Woodall, Republican of Georgia, says the poor should be paying more taxes, not less. But one never hears conservatives criticize big corporations like Boeing that pay no federal income taxes.

I would like to say that Democrats are better, but they provide precious little alternative to the Republican Party's know-nothingism. This week, the White House released a <u>proposed federal budget for fiscal year 2015</u> that was widely viewed as "dead on arrival." This document used to be important, but now consists mainly of <u>liberal talking points</u> that no one takes seriously as policy initiatives.

I wish I knew how to get back to serious public policy debate on issues that are crying out for action. Sweeping problems under the rug usually just makes them worse when they finally must be confronted down the road.