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The Cato Institute's Dan Mitchell Delivers a Dire Warning!

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Here the Cato Institute's Dan Mitchell delivers a dire warning.

Politicians want to upend the rules of global commerce to undermine and restrict tax competition. They realize that the long-run fiscal outlook of their countries is grim, but rather than fix the bad policies they've imposed, they want a system that will enable higher ever-higher tax burdens.

In the long run, that leads to disaster, but politicians rarely think past the next election.

The bureaucrats in Brussels have concocted a strange theory that Ireland's pro-growth tax system provides "state aid" to companies like Apple (in other words, if you tax at a low rate, that's somehow akin to giving handouts to a company, at least if you start with the assumption that all income belongs to government).

Senator Elizabeth Warren predictably tells readers of the *New York Times* that Congress should squeeze more money out of the business community.

Now that they are feeling the sting from foreign tax crackdowns, giant corporations and their Washington lobbyists are pressing Congress to cut them a new sweetheart deal here at home. But instead of bailing out the tax dodgers under the guise of tax reform, Congress should seize this moment to...repair our broken corporate tax code. ...Congress should increase the share of government revenue generated from taxes on big corporations — permanently. In the 1950s, corporations contributed about \$3 out of every \$10 in federal revenue. Today they contribute \$1 out of every \$10.

As part of her goal to triple the tax burden of companies, she also wants to adopt full and immediate worldwide taxation. What she apparently doesn't understand (and there's a lot she doesn't understand) is that Washington may be capable of imposing bad laws on U.S.-domiciled companies, but it has rather limited power to impose bad rules on foreign-domiciled firms.

P.S. To close on an upbeat point, Senator Rand Paul defends Apple from predatory politicians in the United States.