The Daily Dish

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Does anyone like the Cadillac Tax? Both labor groups and employers have come out against Obamacare's tax on premium health care plans. Eventually all silver, gold, and platinum plans will face the tax of 40 percent on every dollar over a certain threshold. What does this mean for consumers? According to an interview by the New York Times, one paper mill's workers will have to pay a tax of $6,000 for having good health care coverage.

The new overtime rule by the White House has sent employers scrambling to comply before losing federal contracts. According to the Wall Street Journal, "Companies are racing to track and manage the hours their employees really work, following a White House proposal that would put millions more U.S. workers in line for overtime pay." Though the White House has touted this order as helping the working poor, AAF found that 69 percent of the workers impacted by the law already make at least three times the poverty line. Click here for more facts on the overtimes rule.

Eakinomics: A Less-Is-More Energy Policy

The best energy policy is letting markets work. A great testimony to this is the recent revolution in oil and gas production. It was due to market-driven technological advances that built on some government basic research and further industry development. It would be beneficial for consumers and producers alike if even more market forces were put in to play — namely to permit domestic producers to export crude oil (and accelerate the granting of permits to export liquified natural gas).

Unfortunately, the U.S. approach to energy policy has often been to use tax and other policies to tilt the playing field. Wind power and solar power receive tax subsidies, while coal is penalized by the Environmental Protection Agency's regulatory agenda. There are two aspects of this situation of note. First, the solar industry is up in arms that the solar investment tax credit was not included in the package of so-called "tax extenders" that the Senate Finance Committee recently passed. The bill would extend for two years expiring tax provisions.

Why should the credit exist at all? Sometimes the argument is made that for a so-called "infant industry" it is appropriate to tilt the playing field until market infrastructure is in place. The solar industry has benefited for well over a decade, so it is hard to make the case for retaining the credit. The same is true for a wind power credit that was included in the extenders.

The second argument comes from environmentalists who argue that carbon emissions are a danger and must be curbed. Ok, but even if you accept that premise it does not justify both a subsidy to wind and solar and an (implicit) tax on coal and other carbon-based fuels. It should be one or the other, and not both.

The past 40 years of U.S. energy policy has consisted too much of federal intervention and micromanagement. The better route forward is to simply rely on the market forces that have delivered so much success in other parts of the economy, and recently in energy as well.

Fact of the Day

In 2013, American exports supported 11.3 million jobs.