The Daily Dish

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Workers are becoming increasingly concerned that their employers will move coverage to Obamacare exchanges instead of maintaining current plans. A new survey out by Morning Consult finds 63 percent of workers are concerned about losing their plan and being forced onto federal exchanges. Half of the workers are also concerned that the move will negatively impact their health care. Continuing on the trend of workers weary of changes to their health care, over half would consider changing jobs if employers moved coverage to Obamacare exchanges.

The FCC has taken up the mergers of TWC/Comcast and AT&T/DirecTV in earnest by naming who will lead the review process. AAF's Will Rinehart, Director of Technology and Innovation, has written in the past on how mergers like the ones in question can actually show real benefits to consumers and how to think about modern media mergers.

Today, Congress is back in session with a list of legislative priorities ahead. Some key issues to keep an eye on include: the highway trust fund, the Department of Veterans Affairs, and the Export-Import Bank.

Eakinomics: The Good, the Bad and the Ugly of Current Tax Policy

The good news is that this week the House will vote to make permanent the so-called “bonus depreciation.” As nicely explained by Gordon Gray bonus depreciation is one of the so-called “tax extenders” — over 50 tax provisions that are in principle temporary, but which Congress routinely renews for a year or two. Bonus depreciation allows businesses to immediately deduct from their taxable income (sometimes called “expensing”) 50 percent of the value of qualified investments. By front-loading the cost recovery, investment incentives are strengthened. One study found that a temporary partial 50 percent expensing policy would increase investment by 1.8 percent in the first quarter after enactment. Since permanent incentives are stronger than temporary ones, moving to permanent partial expensing of investments is a dramatic improvement in the investment climate and a good antidote for weak business investment or sluggish growth.

The bad news is that tax reform is apparently going nowhere right now. As a result, the U.S. international tax code is increasingly out of step with that of its international competitors. One result of this has been a steady loss of U.S. headquartered firms during the course of international mergers and acquisitions — so-called tax inversions (see the new video released today here). Until the international tax regime is modernized, the uncompetitiveness of the U.S. will remain a major issue.

The ugly possibility is that Congress might be tempted to try to punish firms that follow the economic incentives embedded in the tax code through rifle-shot legislation targeting firms involved in inversions. This won't work — the same sort of policy was enacted early in this century — because the fundamental problem is that the U.S. taxation of international income is a relic of the 20th century. Only tax reform will fix that.

Count your blessings on the good, pray to reverse the bad, and just say no to the ugly.

From the Forum

Video: #Eakinomics: Forced Out: Companies Moving Abroad Because Of U.S. Tax Code by Douglas Holtz-Eakin, AAF President