

## **The Daily Dish**

## March 24th Edition

**DOUGLAS HOLTZ-EAKIN | MARCH 24, 2015** 

Obamacare fines may surprise millions as they fill out their tax returns this year. A new study by the Kaiser Family Foundation has found that half of the people who received health care subsidies will owe, on average, \$794 to the government. One group examined could owe anywhere between \$2,306 and \$3,837 with others topping even those fines. Nine out of 10 people on healthcare.gov qualified for subsidies.

The House will soon be voting on two conservative budgets to determine which makes it way to the Senate. The choice will be between two nearly identical budgets, except one will allocate much more to defense spending. Importantly, both aim to attack our growing deficit, reform entitlements, and update the tax code, distinguishing them from the president's proposal.

Eakinomics: Washington Irony Update

**Net Neutrality Irony:** Remember net neutrality? Remember when the White House supported on its web site "a principle known as 'net neutrality' — and it says that an entrepreneur's fledgling company should have the same chance to succeed as established corporations…" Now, as it turns out, new research by AAF's Will Rinehart shows that it is these very same small businesses that are under assault from net neutrality.

According to the Federal Communications Commission (FCC) itself at least 90 percent of the businesses that will bear the burden of the new Title II (utility-style) network neutrality regulations will be small businesses. As part of doing its business, the FCC must identify the burden of new rules on small business. As it turns out, 20,640 companies will be affected, ranging from "Broadband Internet Access Service Providers supplied over client supplied connections" (1,274), to "Wireless Telecommunications Carriers" (1,383), to "Satellite Telecommunications Providers" (570), "Cable and Other Program Distributors" (2,048), and so forth.

Of these, 18,532 are considered small businesses. It is true that much of the business activity will take place in the fewer, large companies. But complying with these regulations won't be a one-time cost since courts are likely to change the meaning of the law. Even still, the relatively fixed cost of regulation will be disproportionately burdensome on the smaller firms.

**Bonus Irony Update:** Over the weekend, President Obama pointed out the distinction between what a politician says during a campaign (in this case, Prime Minister Netanyahu) and what happens once in office. It brings to mind the oft-repeated, "if you like your health care plan, you can keep your health care plan".

## From the Forum

Small Businesses Bear the Brunt of Network Neutrality Rules by Will Rinehart, AAF Director of Technology and Innovation

Survey: 5 years later: How Has the Affordable Care Act Impacted You?

ACA's 5th Birthday l	Brings \$43 Billion in R	egulatory Costs b	y Sam Batkins, A	AAF Director of R	Regulatory Polic