



The Daily Dish

Ryan on Tax Reform

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A bipartisan Senate panel is working to finish their aviation bill which would seek to reauthorize the Federal Aviation Administration (FAA). FAA's authority expires in September. Sen. Roy Blunt (R-MO) said the panel was finishing up the bill and believes it will be presented to the committee next month. Blunt went on to say the Senate is undecided about whether or not to adopt President Trump's plan of privatizing air traffic control.

Yesterday the Environmental Protection Agency (EPA) announced that they will be ending their employee gym subsidy. According to the EPA, the agency will be able to save taxpayers \$900,000 a month by cutting the program. EPA administrator Scott Pruitt blamed the Obama Administration for implementing the expensive program and said it was "something that needed to end."

Eakinomics: Ryan on Tax Reform

Speaker of the House Paul Ryan yesterday gave his [first major speech on tax reform](#). To my eye, it was significant for three reasons.

First, at a time when some are beginning to question whether the Trump Administration can deliver on its pro-growth legislative agenda, Ryan's speech itself was intended to emphasize the ongoing process of tax reform — during tax reform, leaders talk about tax reform — and perhaps even kick it into a higher gear. He took pains to emphasize that "Chairman Kevin Brady and our Ways and Means Committee members are holding open hearings and meeting with stakeholders on this right now." Tax reform is a process and the process is ongoing.

Second, Speaker Ryan talked about what good tax reform means: "That is what this is all about: jobs, jobs, jobs. Good, high-paying jobs." Not a word about the best corporate rate. No discussion of the dollars available for repatriation. No debating over the merits of interest deductions or border adjustment. Not even a tribute to the ability of capital investment incentives to boost productivity growth, wages, and the standard of living. No, just the simple recognition that Congress' job is to deliver a stronger economy, it understands its job, and it will deliver.

Indeed, the only detail singled out in the speech was the importance of permanent reform: "They need the certainty from permanent tax cuts to hire more workers, invest in their businesses, and plan for the future." This is simultaneously a good economic case for strong incentives and the political need to face up to [revenue neutrality](#).

Finally, he emphasized that it is important to move quickly and get tax reform done in 2017. Doing so would — in my view — be good insurance against the unforeseeable negative shocks that can result in recession when growth is too slow. More broadly, it is part of having a more resilient economy: "That is what defines us as Americans. It is not about our struggles. It is about how we overcome them—how we bounce back. So this is what drives me every day as a policymaker: How do we build up our country's antibodies? What I mean by that is, how do we fill up that well of resilience we can call on when things get tough?"

Tax reform, keep the process moving to get it done as soon as possible, make it permanent, and deliver on the

promise of a stronger economy.