# Boehner Accidentally Tells The Truth About Tax Cuts

**Author :** michaelbloomer

> "And here in Washington, there's a fundamental misunderstanding of the economy and it's led to an awful lot of bad decisions. And the reality is that employers will hire if they've got the right incentives, but the incentives have to outweigh the costs.
>
> *As an example, businesses aren't going to hire someone because the government's going to give them a $4,000 tax credit.* If the government mandates that are imposed on them cost a lot more than that temporary credit. In our recent years, these mandates have been overwhelming." [Ed., Emphasis added]

No to tax increases. Now, no to what are, effectively, tax cuts.

> Government's threat to job creation has two other components. One is the current tax code which discourages investments and rewards special interest. It strikes me as odd that at a time when it's clear the tax code needs to be fundamentally reformed, the first instant to come out of Washington is to come up with a new host of tax credits that make the tax code more complex.

It is the ultimate Republican tax-cutting plan: It rewards the private sector for acting in its own best interest. And it gives wary companies that are now just hoarding their profits the confidence that can get them to start expanding again.

It is the ultimate Democratic jobs-generating plan: It guarantees results before federal tax dollars are spent.

It is the ultimate tea party no-new-taxes/no-new-programs populist plan: It produces the new jobs without government adding more taxation or more reams of red tape.

And it is, by definition, the most shovel-ready plan any economist can conjure: By using job-generating tax credits to prime our economic pumps, not a dollar of taxpayer money would be spent before the private sector has created and filled the jobs.

A side benefit of this is that it is not one of those programs that reward the special interests that have invested in our politicians — presidents, senators and representatives — by giving them campaign money as a down payment for future access and consideration. All employers have a chance at getting this tax credit — all they need to do is hire new employees.

Now it turns out the template for this approach was just created. On Aug. 5, President Barack Obama announced a program to give companies tax credits for hiring unemployed military veterans. Employers hiring unemployed veterans would get a $2,400 maximum credit for every short-term hire and $4,800 for every long-term hire. The plan would give companies a $9,600 maximum credit for every long-term hire of a veteran with service-connected disabilities.

Well, if this works for creating jobs for unemployed military veterans, why not expand it to include all unemployed Americans? That Republican-sounding idea was raised by the former chair of Obama's Council of Economic

Advisers, Christina Romer.

"There are 15 million other unemployed people," Romer said. "Let's do a big tax cut for any firm that's willing to hire. Someone, I think, ought to be making the case for swinging for the fences, not small programs."

view the complete and formatted article, click "READ MORE" now. . .

SUBSCRIBE VIA RSS