

Macro Roundup Article

Headline: [Why Laws Meant to Create Jobs Can Be So Destructive for Our Cities](#)

Article Link: <https://www.nytimes.com/2023/05/15/opinion/chips-incentives-biden.html?smid=nytcore-ios-share&referringSource=articleShare>

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Tweet: [.@iamstevenpedigo](#) and [@NateMJensen](#) write that the CHIPS Act, which requires state and local subsidies to access federal dollars, has thus far been gamed by corporations to the detriment of state and local governments.

Summary: Offering tax breaks and other incentives to corporations has been proved to be one of the least effective ways for localities and states to grow their economies. State audits and independent evaluations of these programs found poor targeting of incentives, weak oversight and excessive costs that harmed rather than benefited local governments. The CHIPS Act and the Inflation Reduction Act are threatening to give [unproductive tax incentives] an enormous infusion of steroids. Micron chose to build in upstate New York [after] the state offered a staggering \$5.5 billion in tax credits over the life of the project ... costing local and state governments upward of \$95 million annually, far more than they are likely to gain from hosting the new facilities. In February, Ford agreed to build its new electric vehicle plant in Michigan, but only after extracting a promise of as much \$1.75 billion in state and local incentives...enough money to pay all the new workers' salaries for around 15 years.

Primary Topic: Government Spending

Topics: Database, Fiscal Policy, Government Spending, Infrastructure, Op-Ed/Blog Post, Politics

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