



Iowa Fiscal Partnership

NEWS RELEASE

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EDITOR'S NOTE: The Iowa Fiscal Partnership released the following statement today:

IFP Supports Suspension, Investigation of Film Credit Program

Governor Culver acted responsibly Friday by ordering a suspension of the state's film tax-credit program pending further investigation of irregularities in the management of the program.

A critical problem with the film credit and many other economic development tax advantages offered to industry by the state of Iowa is a lack of transparency. State lawmakers and the public for the most part have no idea whether current tax breaks — which are typically granted as corporate entitlements — are actually performing as intended.

The initial investigation has exposed the film credits, as currently in place, as a boondoggle that is draining our state treasury. Further, this is coming at a time when our state leaders are anticipating budget cuts. All spending — including spending through the tax code — needs to be on the table when considering cuts to the budget.

Those taking advantage of apparent lax management of the film-credits program may indeed be ruining it for other filmmakers who have not done so. Nevertheless, there is no justification for continuing this program while all the problems with it are being sorted out, and while education and fundamental human services are threatened with budget cuts.

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The Iowa Fiscal Partnership is a joint fiscal policy initiative of two nonprofit, nonpartisan Iowa-based organizations, the Child & Family Policy Center in Des Moines and the Iowa Policy Project in Iowa City. IFP reports are available at www.iowafiscal.org.

The Iowa Policy Project

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