



Iowa Fiscal Partnership

NEWS RELEASE

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EDITOR'S NOTE: The Iowa Fiscal Partnership today released the following statement regarding the Governor's Condition of the State Address:

IFP: Governor's Proposal 'Important Step' on Tax Credits

“Governor Culver has made tax credit reform a centerpiece of his 2010 legislative agenda. This is an important step toward accountability for tax credits and other spending through the tax code, to make sure all Iowans benefit. The Governor is standing behind the strong recommendations of the Tax Credit Review Panel, which provide a framework for this important reform as part of a balanced approach to our fiscal challenges.

“The Governor is right: Taxpayers should be able to expect that tax credits and business subsidies work as intended. However, we haven't been provided enough information to make that determination in the past. These subsidies demand the same attention from lawmakers that they give to state appropriations. This is a twofold challenge of transparency and action.

“Tax-credit transparency provisions passed in 2009 need to be expanded in 2010. Iowans should be able to go online and see who is receiving subsidies and how much they cost — whether those subsidies come through the tax code, appropriations or grant programs. The Tax Credit Review Panel's recommendation that all business tax credits expire after five years should, if enacted, assure that the important regular review of these subsidies takes place, in the open, as part of the legislative committee process.

“In that process, lawmakers need to hear from tax experts and the public, and look at the hard evidence about the value of tax credits. Especially in these tough economic times, Iowa cannot afford tax giveaways at the same time essential services are being cut back and working Iowans are struggling to make ends meet.”

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For more information about Iowa's state fiscal situation, see the [Iowa Fiscal Partnership](http://www.iowafiscal.org) website www.iowafiscal.org. The Iowa Fiscal Partnership is a joint budget and tax policy initiative of two nonpartisan, Iowa-based organizations, the Iowa Policy Project in Iowa City and the Child & Family Policy Center in Des Moines.

The Iowa Policy Project

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