



Iowa Fiscal Partnership

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EDITORS, NEWS DIRECTORS NOTE: The Iowa Fiscal Partnership released the following statement today in the wake of the announcement from state officials about the status of the investigation of the Iowa film credit program and a review of the program by a consultant.

Iowa Fiscal Partnership: Expand Scrutiny on Tax-Credit Spending

These are terribly difficult budget times for the state of Iowa. Everything needs to be on the table, including indirect spending through the tax code. The film credit program needs every bit as much scrutiny as other spending, but so do all tax preferences to businesses. We have been heartened by the call of Governor Culver and others, including some of the state's leading newspapers to seek a full review of more than just the film tax credit. The governor and state legislators must follow through to assure taxpayers are getting a good deal when we tell some firms that they need not pay taxes.

Iowa policy makers must recognize the problems with accountability that this investigation has exposed. We just don't know enough about what state tax money is being used for, and that's a problem with more than the film credit. As we have shown, and as Department of Revenue research has confirmed, Iowa hands millions of dollars every year to big corporations through the research activities credit. But the recipients, and the use of the money, have not received scrutiny from the legislators who have allowed this to happen.

We must not miss the overarching policy questions by limiting new oversight only to the film credit. All Iowa tax credits should be on the table with other spending choices, not just the film credit program.

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