



Iowa Fiscal Partnership

NEWS RELEASE

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

IFP on Revenues: Keep All Solutions on the Table

Today's Revenue Estimating Conference report projects revenues will be \$414.9 million less in this fiscal year than legislators expected when they passed the budget. You don't fix a \$415 million problem with spending cuts alone without seriously damaging critical public services — and further damaging the economy. Those services are most needed right now, during the recession, and keeping people at work to provide them helps the economy when it needs a boost.

Iowa's revenue problem does require immediate action, but that action must be strategic.

Everything needs to be on the table as the Governor and General Assembly address the state's short- and long-term budget challenges. The sagging economy has contributed to this situation, but we can't simply cut our way to recovery. We also must face up to the structural drain in revenues caused by excessive tax-cutting and a failure to close corporate tax loopholes.

The fiscal liabilities brought on by the exploding growth of the film credit program make it clear that we cannot address the state's long-term fiscal problems without getting the state's tax credits under control.

Whatever actions the governor takes in immediate response to the current problem, they should be done with the coming legislative session in mind and the opportunities to make more targeted responses.

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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. IFP reports are at www.iowafiscal.org.

The Iowa Policy Project

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