

FINANCE CO-CHAIR
BILL STOLTZE

R - MAT-SU/CHUGIAK (HD11)

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PRESS RELEASE

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STOLTZE INTROS BILL TO REPEAL AK FILM TAX CREDIT PROGRAM ***Cites audit detailing program's cost & disproportionate benefit to non-Alaskans***

Thursday, February 21, 2013 Juneau, Alaska – Representative Bill Stoltze recently introduced HB 112 which would repeal the film production tax credit program as passed by the 27th Legislature, which now stands at \$300 million plus operating costs. However, the bill would keep the film production program office.

The Division of Legislative Audit released a report last fall which highlighted many aspects of the program's costs and impacts. Among the report's conclusions, it found 84 percent of wages from jobs directly created through the program were paid to non-Alaskans.

"I supported leaving the film production office in place to show that Alaska is open for business," Stoltze, R-Mat-Su/Chugiak, said. "This year we are facing some very difficult budgetary questions. We are looking at choices between key funding items like infrastructure, schools, and programs for disabled veterans. How do we responsibly balance that with investing hundreds of millions of dollars in film production?"

HB 112 also leaves in statute the ability for the film program office to audit the record for previous recipients of film tax credits to allow the Department of Revenue the ability to recover certain damages.

"The jobs created by this program are often temporary" Stoltze said. "We know that when the state subsidizes this spending, of course some businesses are going to see it, but I think we owe it to ourselves to ask the question is our investment a good one?"

"How do we justify spending more than \$56,000 per full time job created? I think it's time that we focused on creating more lasting jobs for Alaskans, instead of jobs for lower 48 film producers. We are simply asking that this program stand on its own merits and go through a thoughtful public process."

Over the past four years Alaska has subsidized 106 films, shows, and commercials at a cost of more than \$35 million to the state.

HB 112 has been referred to the House Labor and Commerce committee.

For more information contact Rep. Stoltze's office 465-6824.

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