

On Tuesday, the House Economic Development and Small Business Committee plans to take a vote on HBs 4907 and 4908, which re-establish a film incentive credit against Michigan's corporate income tax. As with previous iterations of film subsidies, [the Mackinac Center opposes the bills in committee](#) and recommends a no vote.

Michigan spent \$500 million on film subsidies in its previous film program. Yet the state failed to develop any film industry that could be sustained without massive taxpayer support.

Even during its most expensive years, the film subsidy barely made a dent in the number of jobs in the industry. The Bureau of Labor Statistics reports that there were a few hundred more film jobs in the state over this period. Those jobs disappeared when the subsidies were gone. This is a minuscule and fleeting part of the state economy.

Supporters have claimed that the new program is better because it allows producers to sell film credits to other taxpayers. But laundering payments through other businesses at a discount decreases transparency. Subsidies should be part of the budget and be subject to annual appropriations. This keeps legislators in control of fiscal policy. The proposed credit is a worse structure than a grant program.

Because these bills authorize selective business subsidies, they meet the criteria for inclusion on the [Mackinac Center's Business Subsidy Scorecard](#). If passed, these bills would be added and scored at \$2.075 billion, based on [the House Fiscal Agency's estimate](#) of the 10-year reduction in business income tax revenue.

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