



MIRS Capitol Capsule

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Rally Cry: Roll 'Em

About 50 supporters rallied on the Capitol steps today, urging lawmakers to keep their hands off the so-called Hollywood film tax credit because they say the credit is working.

Mark ADLER, the director of the Michigan Production Alliance, says that the tax credit's opponents, such as Sen. Nancy CASSIS (R-Novi) and Rep. Peter LUND (R-Shelby Twp.), don't understand the industry. He pointed to people in the crowd who now have hands-on experience working on Hollywood productions and said now is not the time to end it.

Gov. Jennifer GRANHOLM responded to Senate Republicans' proposal for a \$50 million cap on the credits with a counterproposal to cut the credits 12 percent. She told reporters this afternoon that everyone is going to have to sacrifice as the state balances next year's budget, which is \$2.8 billion in the hole, but she still wants to offer the country's most lucrative benefits.

Film credits supporter Ken ORLICH argued that touching the film credits, though, even a little bit, would put Michigan at a disadvantage to other states, such as Alaska, that are looking at trumping Michigan with a film tax incentive package.

"It will kill it," he said. "In this business, you're either first or you're last."

Sen. Jason ALLEN (R-Traverse City) and Sen. Gilda JACOBS (D-Huntington Woods) joined Detroit Free Press columnist and author Mitch ALBOM at today's rally.

The two unfamiliar faces in the crowd were James BOLK and Dick LYLES, who are seriously considering building a Hollywood sound stage in Michigan, but the West Coast producers are watching with a wary eye just in case the state tax credit gets axed.

Lyles confessed, "It will send the wrong message." Investors get jittery when the funding is not secure. He said other producers would close their checkbooks and go back to Hollywood if lawmakers killed the program.

If the state only goes along with a 12 percent cut to the credits, Lund said he could live with that compromise.

"I welcome Hollywood," Lund said. "I just don't want to pay for their tax credits."

The Macomb County lawmaker said if this credit is so great, why not extend it to "fudge on Mackinac Island or the chicken in Frankenmuth?" He added that offering a 42 percent credit for the cost of film production is costing the state more than it is taking in.

"It is not working," he said.

Michael LaFAIVE of the Mackinac Center issued a press release today based on a report that showed that as much as \$48 million was taken from businesses in 2008 to subsidize filmmakers "and this has probably destroyed more jobs than it could have hoped to create."