



*The taxpayer's watchdog for over 70 years*

**ARIZONA TAX RESEARCH ASSOCIATION**

---

## **ATRA OPPOSES HB2127**

***\$700 Million in Multimedia  
Production Refundable Tax "Credits"  
over the next 10 Years!***

### **Refundable Tax Credits are Bad Policy...For Any Industry**

Some opposition to movie tax credits has focused on the efficacy of providing tax incentives to the movie industry. The truth is that the refundable nature of the tax credit in HB2127 is very bad public policy for any industry.

Refundable tax credits become the "first draw" on state revenues. These credits appropriate state funds ahead of funding for schools, health care, and prisons and are not really credits at all. A **refundable** "credit" is not a credit against tax liability. In fact, the venture may not have even been profitable.

If state policymakers are inclined to dedicate state resources to any industry, they should do so through the appropriations process where that appropriation competes with all other state priorities.