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Date: March 22, 2019  
To: Members, Government Oversight Committee  
From: Danielle Fox, OPEGA *Sain*  
RE: **Tax Expenditure Review – Annual review of assignments and schedule.**

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Part of the statutory process established for the review of tax expenditures requires the Government Oversight Committee, in consultation with the TAX committee, to review the assignments of full and expedited tax expenditures in terms of the category to which each has been assigned and the schedule set for reviews (3 MRSA §998 sub-§3).

To facilitate the Committee's role in reviewing the categories and schedule, we have provided the following spreadsheets:

- 2019 Tax Expenditure Classifications by rationale and review category. This represents a complete list and includes an ID# for each expenditure.
- Tax expenditures in the full review category (category A) and the current schedule for review of each. This list includes color-coded rows showing those reviews that have been completed, are in progress, or are new to list either because they are new expenditures or are recommended by OPEGA to be included in the full review category.
- Tax expenditures in the expedited review category (category B) and the current schedule for review of each. This list also has color-coded rows showing any new expenditures that OPEGA has suggested be added to the list of expedited reviews, or moved to another category (promoted to A or demoted to C).
- This spreadsheet is a compilation of the expenditures from both categories (A and B) which are new or changed and for which OPEGA has offered a suggestion for a change in category classification. You may find this spreadsheet the most useful in conducting this work required by 3 MRSA §998(3).

## §998. PROCESS FOR REVIEW OF TAX EXPENDITURES

**1. Assignment of review categories.** By October 1, 2015, the committee, in consultation with the policy committee, shall assign each tax expenditure to one of the following review categories:

A. Full evaluation for tax expenditures that are intended to provide an incentive for specific behaviors, that provide a benefit to a specific group of beneficiaries or for which measurable goals can be identified;

B. Expedited review for tax expenditures that are intended to implement broad tax policy goals that cannot be reasonably measured; and

C. No review for tax expenditures with an impact on state revenue of less than \$50,000 or that otherwise do not warrant either a full evaluation or expedited review.

**2. Schedule.** The committee, in consultation with the policy committee, shall establish a prioritized schedule of ongoing review of the tax expenditures assigned to the full evaluation and expedited review categories pursuant to subsection 1, paragraphs A and B. To the extent practicable, the committee shall group the review of tax expenditures with similar goals together.

**3. Annual review of assignments and schedule.** By October 1st of each year, beginning in 2016, the committee, in consultation with the policy committee, shall review and make any necessary adjustments to the review category assignments and schedule pursuant to subsections 1 and 2, including adjustments needed to incorporate tax expenditures enacted, amended or repealed during the preceding year.

**4. Office responsibilities.** The office shall maintain a current record of the review category assignments and the schedule under this section.

[ 2015, c. 344, §4 (NEW) .]