MEMO

DATE: October 16, 2024
TO: Government Oversight Committee
FROM: Jen Henderson, OPEGA Senior Analyst
RE: Tax Expenditure Review Process Recommendations Required by PL 2023, Ch. 417

Tax Expenditure Review Process Recommendations Required by PL 2023, Ch. 417

PL 2023, Ch. 417, Section 9, tasked OPEGA with reviewing the laws governing the tax expenditure review process and making recommendations to the GOC and Taxation Committee for statutory changes to enhance the process's efficiency and effectiveness. The office was directed to submit these recommendations by November 1, 2024 and to pay particular attention to evaluation parameters and the schedule and pace of full evaluations.

Although Ch. 417 only directed OPEGA to review the laws governing the process, we've also sought opportunities to improve the effectiveness and efficiency of the process's implementation. The attached proposal includes 6 topic areas in which OPEGA identified opportunities for increased effectiveness or efficiency. For each topic, we explain why it was identified for improvement, the changes already implemented or under development, and our recommendation for further efforts. We've also noted that two of the topics would require legislation, or other GOC or Tax Committee action, if they are to be advanced.

OPEGA will also provide the attached proposal to the Taxation Committee, as required by PL2013, Ch. 417.

Committee Process – Vote Optional

A Committee vote is not required for OPEGA to provide the attached proposal to the 132nd GOC and Tax Committees. However, the Committee may, if desired, take a vote regarding support for OPEGA's proposal.

If the Committee would like to send a communication to the 132nd GOC memorializing the recommendations of current Members based on their experience with the tax expenditure review process, a vote should be taken. At the Committee's direction, OPEGA will prepare and transmit this communication after the 132nd GOC is seated.

The Committee could combine the above actions in a single motion, if desired.