Summary of Comments for GOC Consideration Regarding Evaluation Parameters for BETR, BETE and MCIC

3 MRSA §999.1.B requires that "Before final approval pursuant to paragraph A, the committee shall seek and consider input from the policy committee and stakeholders and may seek input from experts."

The following is a summary of the points made, in written and verbal comments, that pertain specifically to the parameters for full evaluations (as defined by 3 MRSA §999.1.A) of the following programs:

- Business Equipment Tax Reimbursement;
- Business Equipment Tax Exemption; and
- Maine Capital Investment Tax Credit.

Comments regarding other portions of the documents or the evaluation effort in general have been taken into account, but are not summarized here as they do not pertain to the GOC's statutory requirement under 3 MRSA §999.

Key to OPEGA's Reponses:

- **No Change** – OPEGA does not recommend any change to the original parameters
- **Clarifying Language Only** – OPEGA recommends a change that clarifies the original intent of the parameters but does not change them
- **Substantive Change** – OPEGA recommends a change that substantially alters the original parameters

Summary of Comment	Comment Contributor	OPEGA Response
BUSINESS EQUIPMENT TAX REIMBURSEMENT & BUSINESS EQUIPMENT TAX EXEMPTION		
The evaluation should focus on how Maine compares to other states, provinces and countries with varying levels of taxation on property and equipment	Jonathan Block, Pierce Atwood	**Substantive Change** – The proposed intent for these programs are: "To overcome the disincentive to growth of capital investment in Maine stemming from the high cost of owning business property." OPEGA agrees that within that intent there is the notion that part of the purpose is to level the playing field for Maine compared to other locales. We suggest amending one of the current proposed Goal statements to incorporate a specific reference to this purpose. The proposed Goal as amended would read "To reduce the cost of owning qualifying business property in Maine, particularly in comparison to other relevant states and countries." Objectives #2 and 3 would then address the extent to which the tax expenditure is achieving this goal.

Indicators of economic impact should not include employment growth	Linda Caprara, Maine State Chamber of Commerce Jonathan Block, Pierce Atwood	**No Change** – Although OPEGA recognized that BETR and BETE have no specific job-related goals, overall economic growth indicators such as employment growth seemed like appropriate possible measures of whether the programs had accomplished their broad intent of "promoting the general welfare of the people of the State of Maine." We suggest no change is needed to the evaluation parameters.
MAINE CAPITAL INVESTMENT CREDIT		
An accidental loophole in the calculation of the MCIC credit should be investigated immediately, separate from the comprehensive MCIC evaluation	Mr. Albert DiMillo, CPA	**No Change** – The Taxation Committee is currently engaged in verifying Mr. DiMillo's concern and determining whether action is needed. The current evaluation objectives do not speak directly to Mr. DiMillo's concern, but are broad enough to allow OPEGA to investigate his concern to the degree necessary to support the efforts of the GOC and the Taxation Committee. OPEGA suggests that the evaluation parameters not be changed.
Measures should be expanded to include analyses of MCIC credits claimed based on apportionment factor, business size, and industry	Mr. Albert DiMillo, CPA	**Clarifying Language Only** – The proposed evaluation parameters include language indicating that OPEGA will conduct additional analyses of data, when appropriate and pertinent, by a number of factors such as business sector or size. OPEGA proposes expanding the list of potential additional analyses to include analysis based on apportionment factor.