Tax Expenditure Review Process In Brief – Prepared by OPEGA for GOC February 2019

Universe of tax expenditures defined and categorized
OPEGA maintains spreadsheet – using MRS report as primary source. GOC approves categorization of new programs.

Review Category A	Review Category B	Category C
Full review. Intended as incentive for specific behaviors. Goals are identified and measurable	Expedited review. Broad policy goals not reasonable to measure (every 6 years by group)	No review. Under $50,000 or otherwise does not warrant review

Updated by OPEGA annually, includes rationale or objective of expenditure and the cost (and other information)

No further action for Category C

Proposed Review Schedule
Categories A and B prioritized and sorted by rationale grouping

Approved annually by GOC after consultation with TAX Committee

Approved Schedule for Full and Expedited Reviews
Drives what OPEGA works on, and informs agencies and stakeholders of what is up for review (schedule of reviews based on priority as determined by GOC)

Full Reviews – Category A
>OPEGA prepares review parameters
>GOC approves parameters after public comment and consultation with TAX
>OPEGA conducts full evaluation based on approved parameters and produces final report for presentation to GOC
>Full report presented to GOC – Public comment received
>GOC votes whether or not to endorse the report (whole, in part, or not)
>Report, record of GOC vote, public comment and any GOC recommendations reported to TAX

>TAX reports its actions resulting from review to Legislature by December 1
>TAX authorized to submit a bill to next legislative session

Expedited Reviews – Category B
OPEGA compiles information by July 1 which summarizes data as prescribed by Title 3 §1000(2) – how distributed, beneficiaries, legislative history, fiscal impact

>TAX conducts the expedited reviews
>TAX submits a report to the Legislature by December 1 each year regarding the continued relevance and potential need for adjustments to the expenditures subject to expedited review
>TAX authorized to submit a bill to next legislative session.