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MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE

Date: January 15, 2021

To: The Honorable Benjamin M. Chipman, Senate Chair
The Honorable Maureen Fitzgerald Terry, House Chair
Members, Joint Standing Committee on Taxation

From: Senator Nathan L. Libby, Senate Chair *Nate Libby*
Representative Genevieve McDonald, House Chair *Genevieve McDonald*
Government Oversight Committee

RE: Record of Vote and Findings: Tax Expenditure Review
OPEGA Final Reports: Business Equipment Tax Reimbursement & Business Equipment
Tax Exemption (BETR/BETE) and Maine Capital Investment Credit (MCIC)

In accordance with 3 MRSA §999, sub-§3, the Government Oversight Committee submits the following record of the 129th Legislature GOC Committee's vote on two of OPEGA's final reports:

Business Equipment Tax Reimbursement (BETR) & Business Equipment Tax Exemption (BETE)
– Programs Lower the Cost of Owning Business Equipment but May Have Limited Influence on
Capital Investment Decisions; and

Maine Capital Investment Credit (MCIC) – A Complicated Response to Federal Bonus
Depreciation that Is Unlikely to Significantly Encourage Capital Investment in Maine.

After a significant delay due to the current pandemic, the votes to endorse these two reports were taken on November 20, 2020 following a public comment period and GOC discussion in early 2020. The 129th Legislature's GOC voted unanimously to endorse both of these reports based on the Committee's policies and procedures guidance which provides that the GOC will endorse a report if it is found by the Committee that:

- the report results are credible, objectively derived and sufficiently relevant and complete with regard to the assigned scope for the review; and
- the report findings are reasonable and appropriate for addressing the issue(s) identified.

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The reports were transmitted to the Taxation Committee of the 129th Legislature last spring but are herein enclosed as some of the members of Taxation have changed with the advent of the 130th Legislature. Attached to this memo you will find:

- copies of OPEGA's BETR & BETE and MCIC reports;
- relevant excerpts of the GOC meeting summaries where the reports were discussed; and
- written testimony submitted to the GOC in response to the reports.

If the GOC has further substantive discussion regarding either of these reports, that information will be forwarded to you.

Attachments

cc: Government Oversight Committee Members

Julie Jones, Senior Legislative Analyst, Office of Fiscal and Program Review