

**1. Proposed adjustments to tax expenditure review category assignments
Presented to the Government Oversight Committee on March 12, 2021**

Note: OPEGA reviewed the Bill and Enacted Law Summaries produced by OPLA for relevant Committees, along with other resources, to catalogue new, repealed or modified tax expenditures from statutory changes in 2020. The statutory changes that create or repeal tax expenditures are listed below. There were no modifications that indicate changes to the review category of any existing expenditures.

ID #	Expenditure Program Name	Brief Description	Tax policy goal	Revenue Loss Estimate	Revenue Loss Estimate	Statutory Cite:	Proposed adjustment
Recommended changes to Category A - Full Evaluation by OPEGA							
189	Credit for Affordable Housing	Taxpayer receiving a tax credit certificate from MSHA for an affordable housing project located in Maine, may claim a refundable tax credit for that taxable year. Credit is equal to either (1) the total federal low-income housing tax credit claimed under IRC section 42 using entire federal credit period for all buildings in a qualified Maine project, or (2) an amount equal to the lesser of \$500,000 or 50% of the qualified basis of an affordable housing project that incurs at least \$100K includable in eligible basis in construction or rehabilitation of an affordable housing project for which IRC section 42 is not claimed.	Business Incentive - Financial Investment	\$8,645,000	\$9,500,000	36 MRS §5219-WW	Enacted by PL 2019, c. 555, §6. Proposal: add to "Category A - Full Evaluation".
Recommended changes to Category B - Expedited Review by Taxation Committee							
143	Fuel Used in Certain Agricultural Production	Sales tax exemption available to some agricultural employers exempting 95% of fuel purchased for use at large, year-round greenhouse facilities. Effective beginning 1/1/2016 and repealed effective 12/31/2019.	Inputs to Tangible Products	Not listed in '22-'23 MSTER.	Not listed in '22-'23 MSTER.	36 MRS §1760.9-H	Repealed by PL 2015 c.267 Pt KKKK §1, effective from 12/31/2019. Scheduled for review in 2021. Proposal: remove from "Category B - Expedited Review".
191	Non-profit youth camps	Sales tax exemption for purchases by nonprofit youth camps as defined in Title 22, section 2491, subsection 16 that are licensed by the Department of Health and Human Services and receive an exemption from property tax under section 652, subsection 1.	Charitable - Youth	\$76,000	\$77,900	36 MRS §1760(103)	Enacted by PL 2019, c. 550, §1. Proposal: add to "Category B - Expedited Review" and scheduled for review in 2025.
193	Non-profit world-wide, charitable organizations	Sales tax exemption for a nonprofit community-based worldwide charitable organization that, using private funding, provides financial support to other nonprofit charitable organizations at the community level, including, but not limited to, food banks and homeless or domestic violence shelters, to improve health and education and strengthen financial stability.	Charitable - Other	\$205,500	\$211,600	36 MRS §1760(103)	Enacted by P.L. 2019, c. 552, §1. Proposal: Add to "Category B - Expedited Review" and schedule for review in 2024.

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ID #	Expenditure Program Name	Brief Description	Tax policy goal	Revenue Loss Estimate	Revenue Loss Estimate	Statutory Cite:	Proposed adjustment
Recommended changes to Category C - No Review							
186	ABLE Savings Account subtraction modification	For tax years beginning on or after Jan 1, 2020, earnings on funds held in qualified Achieving Better Life Experience (ABLE) accounts are deductible in calculating Maine taxable income.	Non-Business Incentive - Health & Safety	Not listed in '22-'23 MSTER.	Not listed in '22-'23 MSTER.	36 MRS §5122(2)(QQ)	Enacted by PL 2019, c. 348 §§1-3. Proposal: Add to Category C - No Review.
187	FAME "COVID-19" Loan Guarantee Program	The FAME loan guarantee program enacted by PL 2019, c. 617, Pt. I §2 (10 MRSA §§1100-BB through 1100-GG) includes a subsection which makes deferred or cancelled interest exempt from all State taxes.	Tax Relief - Individuals	Not listed in '22-'23 MSTER.	Not listed in '22-'23 MSTER.	10 MRS §1100-DD(6)	Enacted by PL 2019, c. 617, Pt. I, § 2 Proposal: Add to Category C - No Review.
188	Credit for Biofuel Commercial Production	A taxpayer engaged in the production of biofuels in the State who has received certification is allowed a credit against the tax imposed on income from the production of biofuel in the amount of 5¢ per gallon of liquid biofuel or gaseous biofuel with a BTU equivalent to that of one gallon of gasoline that replaces the use of petroleum or liquid fuels derived from other fossil carbon sources. For tax years beginning on or after Jan 1, 2020 this credit is reinstated.	Business Incentive - Targeted Industry	\$0 - \$50,000	\$0 - \$50,000	36 MRS §5219-X(5)	Reinstated by PL 2019, c. 628, § 2. Proposal: Add to Category C - No Review.
190	Renewable Chemicals Tax Credit	Taxpayer engaged in production of renewable chemicals in Maine may claim a credit 8¢ per pound of renewable chemicals produced. Credit may only be used to reduce the Maine tax imposed on income derived from production of renewable chemicals. Includes employment restrictions on contractors hired or retained to harvest renewable biomass used in production of renewable chemicals.	Business Incentive - Targeted Industry	\$47,500	\$95,000	36 MRS §5219-XX	Enacted by PL 2019, c. 628, §3. Proposal: Add to Category C - No Review.
192	Pet food assistance programs	Sales tax exemption for an incorporated nonprofit organization organized for the purpose of providing food or other supplies intended for pets at no charge to owners of those pets.	Charitable	\$5,400	\$5,550	36 MRS §1760(103)	PL 2019, c. 551, §1. Proposal: Add to Category C - No Review.