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MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE

Deduction for Contributions to Capital Construction Funds for Maintenance or Replacement of Fishing Vessels – Evaluation Parameters

Approved June 15, 2022

At its meeting on June 15, 2022, the Government Oversight Committee (GOC) considered proposed evaluation parameters for OPEGA’s full evaluation of the Deduction for Contributions to Capital Construction Funds for Maintenance or Replacement of Fishing Vessels and received stakeholder input. The GOC voted to approve the following evaluation parameters, pursuant to 3 MRSA §999(1)(A).

Purposes, Intent or Goals of the Credit
(1) To support a well-maintained commercial fishing fleet in Maine (2) To conform to federal treatment of contributions to CCFs for commercial fishing vessels
Intended Beneficiaries of the Credit
(1) Directly: Maine residents operating commercial fishing vessels (2) Indirectly: Maine’s fishing industry
Evaluation Objectives¹
(a) The fiscal impact of the tax expenditure, including past and estimated future impacts; (b) The extent to which the design of the tax expenditure is effective in accomplishing the tax expenditure's purposes, intent or goals and consistent with best practices; (c) The extent to which the tax expenditure is achieving its purposes, intent or goals, taking into consideration the economic context, market conditions and indirect benefits; (d) The extent to which those actually benefiting from the tax expenditure are the intended beneficiaries; (e) The extent to which it is likely that the desired behavior might have occurred without the tax expenditure, taking into consideration similar tax expenditures offered by other states; (f) The extent to which the State's administration of the tax expenditure, including enforcement efforts, is efficient and effective; (g) The extent to which there are other state or federal tax expenditures, direct expenditures or other programs that have similar purposes, intent or goals as the tax expenditure, and the extent to which such similar initiatives are

¹ Evaluation Objectives: Each objective will be addressed to the extent that is warranted and practical based on our assessment of: the availability of the necessary data; the level of resources required/available; and the relevance of the particular objective to the tax credit.

coordinated, complementary or duplicative;

(h) The extent to which the tax expenditure is a cost-effective use of resources compared to other options for using the same resources or addressing the same purposes, intent or goals; and

(i) Any opportunities to improve the effectiveness of the tax expenditure in meeting its purposes, intent or goal.

Performance Measures

(1) \$ Amount of deductions claimed (in past and future estimates)

(2) \$ Impact on State budget (revenue loss and net impact)

(3) # Taxpayers taking the deduction (count and average)

(4) % Participation rate

(5) % Maine commercial fishing fleet in well-maintained condition

The GOC also voted to have OPEGA include in this evaluation, to the degree possible based on available data and staff resources, the areas of interest raised in Representative Maureen Terry's submitted comments and those raised by GOC members in work session.