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Date: (Filing No. H- )

**TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
132ND LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 726, L.D. 1107, “Act to Create a Working Group to Support Tax Expenditure Evaluation Efforts”

Amend the bill by striking out the title and substituting the following:

**'An Act to Amend the Tax Expenditure Review Process and Centralize Incentive Data Collection'**

Amend the bill by striking out everything after the enacting clause and inserting the following:

**'Sec. 1. 3 MRSA §998, sub-§1, ¶A**, as enacted by PL 2015, c. 344, §4, is amended to read:

A. Full evaluation for tax expenditures that are intended to provide an incentive for specific behaviors, that provide a benefit to a specific group of beneficiaries or for which measurable goals can be identified; and

**Sec. 2. 3 MRSA §998, sub-§1, ¶B**, as enacted by PL 2015, c. 344, §4, is repealed.

**Sec. 3. 3 MRSA §998, sub-§2**, as amended by PL 2023, c. 417, §2, is further amended to read:

**2. Schedule.** The committee, in consultation with the policy committee, shall establish a prioritized schedule of ongoing review of the tax expenditures assigned to the full evaluation ~~and expedited review categories~~ category pursuant to subsection 1, ~~paragraphs~~ paragraph A ~~and B~~. To the extent practicable, the committee shall group the review of tax expenditures with similar goals together. Beginning in 2024, when prioritizing ongoing review of tax expenditures assigned to the full evaluation category, the committee, in consultation with the policy committee, shall give priority to tax expenditures that are intended to provide an incentive to businesses over tax expenditures that are directed primarily toward individual tax relief and shall consider the impact of any statutory provisions regarding the expiration of a tax expenditure that may be the subject of legislation to extend the tax expenditure.

**COMMITTEE AMENDMENT**

1           **Sec. 4. 3 MRSA §998, sub-§3**, as enacted by PL 2015, c. 344, §4, is amended to  
2 read:

3           **3. Annual review of assignments and schedule.** By October 1st of each year,  
4 beginning in 2016, and by February 15th of each year, beginning in 2026, the committee,  
5 in consultation with the policy committee, shall review and make any necessary  
6 adjustments to the review category assignments and schedule pursuant to subsections 1 and  
7 2, including adjustments needed to incorporate tax expenditures enacted, amended or  
8 repealed during the preceding year.

9           **Sec. 5. Incentive Data Task Force.** The Incentive Data Task Force, referred to in  
10 this section as "the task force," is established for the purpose of developing a plan for the  
11 centralization and standardization of data related to state tax expenditures and incentives  
12 and examining barriers to the access and disclosure of state tax expenditures and incentives  
13 information to the public.

14           **1. Membership.** Notwithstanding Joint Rule 353, the task force is composed of 11  
15 members as follows:

16           A. Two members of the Senate appointed by the President of the Senate, both of whom  
17 are members of the party holding the largest number of seats in the Legislature and one  
18 of whom is a member of the Joint Standing Committee on Taxation;

19           B. One member of the Senate appointed by the member of the Senate who is the leader  
20 of the party with the 2nd largest number of seats in the Senate;

21           C. Two members of the House of Representatives, both of whom are members of the  
22 party holding the largest number of seats in the Legislature and one of whom is a  
23 member of the government oversight committee and one of whom is a member of the  
24 Joint Standing Committee on Housing and Economic Development;

25           D. One member of the House of Representatives appointed by the member of the  
26 House who is the leader of the party with the 2nd largest number of seats in the House;

27           E. One member representing a statewide nonpartisan research and policy organization  
28 appointed by the President of the Senate;

29           F. The Director of the Office of Program Evaluation and Government Accountability  
30 or the director's designee;

31           G. The Commissioner of Administrative and Financial Services or the commissioner's  
32 designee;

33           H. The State Tax Assessor or the State Tax Assessor's designee; and

34           I. The Commissioner of Economic and Community Development or the  
35 commissioner's designee.

36           **2. Chairs.** The member of the Senate who serves on the Joint Standing Committee on  
37 Taxation is the Senate chair and the member of the House of Representatives who serves  
38 on the government oversight committee is the House chair of the task force.

39           **3. Appointments; convening of task force.** All appointments must be made no later  
40 than 30 days following the effective date of this Act. The appointing authorities shall notify  
41 the Executive Director of the Legislative Council once all appointments have been  
42 completed. After appointment of all members, the chairs shall call and convene the first

1 meeting of the task force. If 30 days or more after the effective date of this Act a majority  
2 of but not all appointments have been made, the chairs may request authority and the  
3 Legislative Council may grant authority for the task force to meet and conduct its business.

4 **4. Duties.** The task force shall:

5 A. Develop a plan for centralizing and standardizing data related to tax expenditures  
6 and tax incentives in the State and ensuring that the data is reliable and routinely  
7 available to support transparency and oversight;

8 B. Analyze statutory, regulatory and other barriers to access to state tax expenditure  
9 data under paragraph A by state agencies and make recommendations to eliminate or  
10 minimize those barriers; and

11 C. Evaluate methods of making information on tax expenditures and incentives  
12 publicly accessible, including through a searchable database or an annual report.

13 The task force shall examine research regarding similar efforts in other states, best practices  
14 in data collection and management and related recommendations in tax expenditure review  
15 reports from the Office of Program Evaluation and Government Accountability. The task  
16 force shall also identify the types of tax expenditures and other incentives for which data  
17 will be centralized and standardized and the resources needed to implement the plan under  
18 paragraph A.

19 **5. Staffing.** The Office of Program Evaluation and Government Accountability shall  
20 provide necessary staffing services to the task force.

21 **6. Report.** The task force shall submit a report by October 30, 2026 regarding the  
22 plan developed under section 4, paragraph A, including any recommended legislation, to  
23 the joint standing committee of the Legislature having jurisdiction over taxation matters,  
24 the joint standing committee of the Legislature having jurisdiction over housing and  
25 economic development matters and the government oversight committee. Either joint  
26 standing committee may report out legislation based on the report to the 133rd Legislature  
27 in 2027.'

28 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
29 number to read consecutively.

30 **SUMMARY**

31 This amendment replaces the bill, which is a concept draft, and changes the title. The  
32 amendment amends the tax expenditure review process by removing the requirement that  
33 an expedited review be done for tax expenditures that are intended to implement broad tax  
34 policy goals that cannot be reasonably measured and by requiring the joint legislative  
35 committee established to oversee program evaluation and government accountability  
36 matters to review and adjust category assignments twice each year. The amendment also  
37 establishes a task force to address the need for data centralization for tax expenditures,  
38 including evaluation of barriers to access to this data and disclosure of Maine tax  
39 expenditures and incentives information to the public.

40 **FISCAL NOTE REQUIRED**

41 (See attached)