

**OPEGA Proposal for Revisions to Statute Governing the  
Legislative Tax Expenditure Review Process  
For GOC Consideration  
Pursuant to 3 MRSA § 1001 sub-§ 2**

**Overall objectives of proposed changes:**

- To provide flexibility in scheduling, completion and reporting on full evaluations to allow for comprehensive and quality review of each program and better fit with legislative schedules.
- To adjust expectations for reviews to better reflect the realities of what comprehensive evaluations require and OPEGA's capacity for conducting multiple evaluations in any given time period.
- To remove, or reduce, barriers to efficient and effective evaluation presented by the confidential status of taxpayer data associated with the programs being evaluated.

**Proposed Process Changes for Full Evaluations:**

1. Tax expenditure programs would be grouped by Rationale and would be scheduled for full evaluation by group rather than by year. The GOC would set the schedule according to the priority for each group. The GOC, in consultation with Taxation, would continue to revisit and adjust prioritization annually.
2. OPEGA would have at least two evaluations "in progress" at any given time, with one of the evaluations being given priority until it is complete. Once the priority project is complete, the other "in progress" project would become the top priority and OPEGA would begin evaluation of the next program in the current group – or move to a program in the next group as appropriate.
3. GOC would continue to approve Evaluation Parameters, with input from stakeholders and Taxation, prior to OPEGA beginning an evaluation of any program. However, these would be presented to the GOC for consideration as a new evaluation is beginning rather than by a particular date each year.
4. OPEGA would present each report to the GOC at the time the evaluation is completed. By July 1<sup>st</sup> of each year, GOC would transmit to Taxation the reports on evaluations completed in the past year.

**Proposed Changes for Expedited Reviews:**

5. OPEGA would no longer be responsible for providing information to Taxation for use in conducting Expedited Reviews although Taxation's responsibility for conducting and reporting out on the Expedited Reviews would remain the same.

### **Proposed Changes to OPEGA Access and Use of Confidential Taxpayer Data:**

6. Allow OPEGA to share confidential data obtained for an evaluation with consultants OPEGA contracts with for assistance on the evaluation under a Non-Disclosure/Confidentiality Agreement. Whenever possible, confidential data will be shared with consultant in a de-identified format that does not include taxpayer name or tax identification numbers.
7. Amend definition of “De-identified tax data” in 3 MRSA § 1001 sub-§ 1, paragraph G, sub-¶ (2) by removing “(c) Other information from which the State Tax Assessor determines that the identity of the taxpayer could be reasonably determined.” It is no longer relevant as over the course of the past evaluations it has been determined that MRS must provide even this data to OPEGA.

### **Proposed Changes to Confidential Status of Taxpayer Information Associated with State Economic Development Investments and other State Business Assistance Programs:**

8. Add an exception to 36 MRSA § 191 to allow MRS and other State agencies to publicly disclose information contained in applications, eligibility determination and certification records, claims records and receipts records for state reimbursements, credits, deductions or exemptions associated with state economic development incentives or funding for research and development activities as defined in the statute governing DECD evaluations, as well as other State business assistance programs. This exception still would not permit the disclosure of taxpayer identification numbers, or proprietary info, credit info and matching of investors info as described in 5 MRSA section 13119-A.