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OFFICE OF PROGRAM EVALUATION AND  
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TO: Members, Government Oversight Committee  
FROM: Lucia Nixon, Director  
DATE: April 6, 2021  
RE: Proposed Parameters for OPEGA's Full Evaluations of the Credit for Rehabilitation of Historic Properties after 2007 and the Research Expense Tax Credit

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The Credit for Rehabilitation of Historic Properties after 2007 (Historic Rehabilitation Tax Credit or HRTC) and the Research Expense Tax Credit (R&D Credit) are the next tax expenditures on the GOC's approved review schedule for full evaluations. As set forth in the statute governing tax expenditure reviews (3 MRSA §999), the GOC shall, for each full evaluation, consider recommendations from OPEGA and then approve the following parameters:

1. The purposes, intent or goals of the tax expenditure;
2. The intended beneficiaries;
3. The evaluation objectives; and
4. The performance measures.

OPEGA's recommendations regarding parameters for the evaluations of the Historic Rehabilitation Tax Credit and the R&D credit are ready for presentation to the GOC at the meeting on April 23, 2021. In preparation for that meeting, we are providing the following documents for your review:

- Historic Rehabilitation Tax Credit: proposed parameters for the evaluation; relevant sections of statute (36 MRSA §5219-BB; 27 MRSA §511; and 30-A MRSA §4722(1)(DD)); and
- R&D Credit: proposed parameters for the evaluation; relevant section of statute (36 MRSA §5219-K); and a copy of LD 977 'An Act to Restore the Super Credit for Substantially Increased Research and Development' proposed in the 129<sup>th</sup> Legislature, which included language regarding intent of the credit and performance measures.

Before final approval of evaluation parameters, the GOC is required to seek input from the Taxation Committee and stakeholders. This week, the proposed parameters documents will be sent to the Taxation Committee inviting their input and will also be sent to stakeholders, through legislative interested parties lists, informing them that stakeholder input will be received at the GOC meeting on April 23<sup>rd</sup> following presentation of the documents by OPEGA.

Enclosures