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TO: Members, Government Oversight Committee
FROM: Lucia Nixon, Director
DATE: May 12, 2021
RE: Evaluation Parameters for the Credit for the Rehabilitation of Historic Properties and the Research Expense Tax Credit

This memo provides information for the GOC work sessions on May 14, 2021, to review and vote on evaluation parameters for the Credit for the Rehabilitation of Historic Properties (HRTC) and the Research Expense Tax Credit (R&D Credit). OPEGA presented the proposed parameters to the GOC at the April 23, 2021 meeting and public comment was received on the HRTC parameters (none was offered on the R&D Credit).

Setting the evaluation parameters is a key part of the process as they provide the framework within which OPEGA conducts and reports on the evaluation. The tax expenditure evaluation statute (3 MRSA section 999) outlines four categories of parameters: (1) the purposes, intent or goals of the tax expenditure; (2) the intended beneficiaries of the tax expenditure; (3) evaluation objectives; and (4) performance measures for analyzing the objectives.

Worksheets and Voting

Enclosed with this memo, please find two worksheets for your use at the work session. For each tax expenditure, the worksheet lists the proposed evaluation parameters, comments from stakeholders (if any) and notes from OPEGA on the proposed parameters and stakeholder suggestions. If the GOC wishes to approve the proposed evaluation parameters without change, this can be done with a motion/vote to approve the parameters as presented. If the Committee wishes to make amendments, the motion should clearly outline the specific parameter(s) to be amended and the nature of the amendment (add, revise, remove).

Notes on Evaluation Approach

Members of both the GOC and the Taxation Committee have expressed interest in having the results of the HRTC and R&D Credit evaluations available to policymakers to inform legislative action in the Second Regular Session. To respond to these interests and priorities, OPEGA proposes to access and evaluate secondary data sources (data that has been collected) and existing research and analysis to address the evaluation objectives to the extent possible and to identify options for targeted follow-up work, as needed, to address certain objectives more fully.