

**From:** [Jones, Julie](#)  
**To:** [Legislature: Committee on Innovation, Development, Economic Advancement and Business](#)  
**Cc:** [Olson, Rachel](#); [Nixon, Lucia](#); [Jones, Julie](#)  
**Subject:** Memo from Tax Expenditure Review Working Group  
**Date:** Tuesday, December 14, 2021 12:19:55 PM  
**Attachments:** [image003.jpg](#)

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**STATE OF MAINE  
ONE HUNDRED AND THIRTIETH LEGISLATURE  
TAX EXPENDITURE REVIEW WORKING GROUP**

DATE: December 14, 2021

TO: Sen Glenn Curry  
Rep. Tiffany Roberts  
Members, Joint Standing Committee on Innovation, Development, Economic Advancement and Business

From: Sen. Nathan Libby, Senate Chair  
Rep. Maureen Terry, House Chair  
Members, Tax Expenditure Review Working Group

Pursuant to Joint Order 2021, S.P. 578, The Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature was established and directed to review the process by which the Legislature reviews tax expenditures, defined as "... any provision of State law that results in the reduction of tax revenue due to special exclusions, exemptions, deductions, credits, preferential rates or deferral of tax liability." (3MRSA §§008-1001, 36 MRSA chapter 10)

The Working Group understands that the Department of Economic and Community Development contracts for a review of state investments in economic development under 5 MRSA §13070-P and has additional responsibilities with regard to economic development proposals under 5 MRSA §13070-O. Both of these activities overlap with regard to certain tax expenditures subject to review, and our final report makes recommendations with regard to these two sections of statute. (See recommendations A-1, H-1 and H-2) Given that overlap, we want to make you aware of this report. It is available online at <https://legislature.maine.gov/doc/7659> and we are providing copies to your OPLA legislative analyst for distribution to you. We also note that DECD was invited to participate in the Working Group activities and is aware of our recommendations.

The Working Group is not submitting draft legislation as part of its report; however, it is possible that legislation may be submitted during the Second Regular Session to implement recommendations of the Working Group.

If you have any questions, please let us know. You may also contact our staff:  
Lucia Nixon or Kari Hojara, OPEGA, 287-1901  
Julie Jones, OFPR, 287-1635

