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**TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 538, L.D. 849, “An Act to Implement the Recommendations of the Working Group to Review the Process for Ongoing Review of Tax Expenditures by the Legislature”

Amend the bill in section 1 in §993 in the first indented paragraph in the 2nd and 3rd lines (page 1, lines 5 and 6 in L.D.) by striking out the following: "2 members of the committee must be members" and inserting the following: 'one member of the committee must be a member'

Amend the bill in section 1 in §993 in the first indented paragraph in the last line (page 1, line 9 in L.D.) by inserting after the following: "matters." the following: 'No 2 members of the committee may be members of the same joint standing committee of the Legislature and also members of the same political party.'

Amend the bill by striking out all of sections 5, 6 and 7 and inserting the following:

**'Sec. 5. 3 MRSA §1000**, as amended by PL 2019, c. 161, §2, is repealed.

**Sec. 6. 3 MRSA §1001, sub-§1**, as enacted by PL 2015, c. 344, §4, is amended to read:

**1. Information requests; confidentiality; reporting.** The following provisions apply to the performance of duties under sections section 999 and 1000. These powers are in addition to the powers granted to the office and committee under this chapter.

A. The office may request confidential information from the Department of Administrative and Financial Services, Maine Revenue Services or other state agencies as necessary to address the evaluation objectives and performance measures approved under section 999, subsection 1. The office shall request any confidential information in accordance with section 997, subsection 4. The office shall request that confidential tax information, other than beneficiary contact information, be made accessible to the office as de-identified tax data. If Maine Revenue Services is unable to provide such data, the office and representatives of Maine Revenue Services shall determine appropriate methods for the office to access the requested information.

**COMMITTEE AMENDMENT**

1 B. Upon request of the office and in accordance with section 997, subsection 4, the  
2 Department of Administrative and Financial Services, Maine Revenue Services or  
3 other state agencies shall provide confidential information to the office. The office shall  
4 maintain the confidentiality of the information provided, in accordance with section  
5 997, subsections 3 and 4. This paragraph does not apply to federal tax information that  
6 is confidential under Title 36, section 191, subsection 3.

7 C. The office, the committee or the policy committee may consult with governmental  
8 agencies, other entities and experts, including members of the Consensus Economic  
9 Forecasting Commission under Title 5, section 1710.

10 D. The office may contract with other entities for the purpose of obtaining assistance  
11 in the review of tax expenditures. The office shall require a nondisclosure agreement  
12 as part of any contract entered into pursuant to this paragraph. The office may not  
13 disclose confidential taxpayer information to a contractor, except for:

14 (1) Contact information for specific beneficiaries of tax expenditures for the  
15 purpose of conducting interviews, surveys or other data collection; and

16 (2) Statistics classified so as to prevent the identification of specific taxpayers or  
17 the reports, returns or items of specific taxpayers.

18 The contractor shall retain physical control of any information obtained pursuant to  
19 this paragraph until the conclusion of the review for which the information was  
20 provided, after which the information must be immediately destroyed.

21 E. The office may report confidential information obtained under this section to  
22 Legislators, legislative committees, state agencies and the public only in the form of  
23 statistics classified so as to prevent the identification of specific taxpayers or the  
24 reports, returns or items of specific taxpayers.

25 F. Prior to the submission of a tax expenditure evaluation report under section 999,  
26 subsection 2, the office shall provide the State Tax Assessor an opportunity to review  
27 a draft of the report in accordance with the provisions of section 997, subsection 1. The  
28 State Tax Assessor may advise the office on compliance with paragraph E.

29 G. For purposes of this section, the following terms have the following meanings:

30 (1) "Beneficiary contact information" means the following information listed on a  
31 tax return or included in a tax return: the name, address, zip code, e-mail address  
32 and telephone number of the taxpayer, and of any related entity, officers, attorneys,  
33 personal representatives and other agents, tax preparers and shareholders of,  
34 partners of or members of the taxpayer or of a listed related entity.

35 (2) "De-identified tax data" means tax returns and other confidential tax  
36 information that are redacted or otherwise modified or restricted by Maine  
37 Revenue Services so as to exclude the following:

38 (a) Beneficiary contact information;

39 (b) Identification numbers including federal or state employer identification  
40 numbers, social security numbers and registration numbers; and

41 (c) Other information from which the State Tax Assessor determines that the  
42 identity of the taxpayer could reasonably be inferred.'

1 Amend the bill by striking out all of sections 9 to 12 and inserting the following:

2 'Sec. 9. 5 MRSA §1666, 3rd ¶, as amended by PL 2015, c. 344, §5, is further  
3 amended to read:

4 A budget document transmitted by the Governor or Governor-elect must include a part  
5 that asks the Legislature whether it wishes to continue funding each individual tax  
6 expenditure provided in the statutes. For purposes of this paragraph, "tax expenditures"  
7 means those state tax revenue losses attributable to provisions of Maine tax laws that allow  
8 a special exclusion, exemption or deduction or provide a special credit, a preferential rate  
9 of tax or a deferral of tax liability. The part must include for each tax expenditure a  
10 statutory section reference, a brief description of each tax expenditure and the loss of  
11 revenue estimated to be incurred by funding source and fiscal year. The joint standing  
12 committee of the Legislature having jurisdiction over appropriations and financial affairs  
13 shall consider any reports regarding the evaluation of tax expenditures completed during  
14 the previous 2 years pursuant to Title 3, ~~sections~~ section 999 and 1000 and shall hold at  
15 least one public hearing to receive public comment regarding those tax expenditures when  
16 reviewing the continuation of tax expenditures pursuant to this section. This paragraph  
17 applies with respect to the preparation of the budget document for the 2008-2009 biennium  
18 and thereafter.'

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

21 **SUMMARY**

22 This amendment reduces from 2 to one the number of new members who must be  
23 appointed to the Government Oversight Committee from the joint standing committee of  
24 the Legislature having jurisdiction over taxation matters and provides that no 2 members  
25 may be members of the same joint standing committee of the Legislature and also members  
26 of the same political party. The amendment deletes from the bill provisions requiring  
27 information relating to expedited reviews to be provided to the joint standing committee of  
28 the Legislature having jurisdiction over taxation matters by either the Office of Program  
29 Evaluation and Government Accountability or the Department of Administrative and  
30 Financial Services, Maine Revenue Services. The amendment deletes from the bill the  
31 provision requiring Maine Revenue Services to include in its report on tax expenditures  
32 information regarding the number of eligible taxpayers taking advantage of certain tax  
33 expenditures. The amendment also fixes cross-references.

34 **FISCAL NOTE REQUIRED**

35 **(See attached)**