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THE MAINE SENATE  
132nd Legislature

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**Joint Standing Committee on State and Local Government on  
LD 136, An Act to Transfer the Responsibility for Tax Expenditure Review  
from the Government Oversight Committee to the Joint Standing  
Committee on Taxation  
February 12, 2025**

Senator Baldacci, Representative Salisbury, and esteemed members of the Joint Standing Committee on State and Local Government: I am Senator Rick Bennett of Oxford, and I have the honor of serving 14 communities in Western Maine in the State Senate. I am pleased to sponsor LD 136, "An Act to Transfer the Responsibility for Tax Expenditure Review from the Government Oversight Committee to the Joint Standing Committee on Taxation."

It has been an honor to be a member of the Government Oversight Committee (GOC). As you all know, this committee handles matters of great importance to ensure our government is working for the people.

The mission of the GOC is "to oversee program evaluation and government accountability matters in State government. The Committee seeks to ensure that public funds are expended for intended purposes, and that programs and activities are efficiently and economically managed. The Committee accomplishes this mission by conducting public inquiries and directing the Office of Program Evaluation and Government Accountability to conduct independent, objective reviews of State agencies and programs for programs and other entities receiving public funds or expending private monies for public purposes."

Over the last several sessions, the GOC has conducted deep dives into the Maine Commission on Indigent Legal Services, now named the Commission on Public Defense Services, the Citizen Initiative and People's Veto Process, cronyism in the Fire Marshal's Office, and a wealth of issues related to the child welfare system, including reviewing reunification policies, CPS investigations and specific cases of child deaths.

We also regularly get requests from lawmakers and citizens to investigate new claims of corruption, poor management and malfeasance. Unfortunately, much of our time in committee is dedicated to tax expenditure review. Now, some of you may not be familiar with what a tax expenditure is. I'd like to explain it to demonstrate why this particular area is better suited to the Taxation Committee.

**By its simplest definition, a tax expenditure is a tax revenue loss generated by any activity attributable to a special exclusion or deduction from taxable income or provides a special credit, preferential tax rate or deferral of tax liability. Deductions you take on a tax return for say your home mortgage interest or charitable contributions are examples of a tax expenditure.**

At the State level, we have over 225 categories of tax expenditures, ranging from the deduction for adult dependent care expenses and contributions to a Section 529 plan for income tax purposes to the sales or excise taxes on jet fuel and equipment used for research. The Office of Tax Policy – a subdivision of Maine Revenue Services – prepares a report each year for the Legislature’s Taxation Committee to give us an overview of what was spent – meaning, of course, the revenue we lost – by policy area.

By statute, some of these programs that impact revenue by \$50,000 or more require further legislative evaluation, either by expedited or extensive means and all of which fall under OPEGA’s purview. Those that fall under the full evaluation category are then investigated further according to a predetermined cycle; and the results of those evaluations are then reviewed by the GOC.

This is time that could be better used by the GOC and OPEGA in overseeing the efficiency and effectiveness in the delivery of governmental services and of Executive Branch agencies and their operations. That oversight – either through direct examination or by audit – is GOC and OPEGA’s primary purpose; yet it is the task we spend the least amount of time on unless it is a major project like Child Protective Services has turned out to be.

I think it makes far more sense for the Taxation Committee to do the majority of the work for this review process. These lawmakers are the experts who deal with the ins and outs of tax policy. Additionally, they are the ones reviewing new tax proposals and should have the background information on what is working and what isn’t as they look into these new policies. I would support expanding the staff at OFPR to help the committee on this work.

Of course, GOC cannot investigate every claim or concern raised. However, I believe we would better serve our constituents if we could devote more time and attention to investigate more of their concerns about the functioning of our government.

Thank you for your consideration. I urge you to vote “ought to pass” on LD 136.