

§1000. Expedited review of tax expenditures

1. Expedited review process. Beginning July 1, 2016, the policy committee shall conduct expedited reviews of tax expenditures and the associated tax policies identified under section 998, subsection 1, paragraph B, in accordance with the schedule established in section 998, subsection 2.

A. For each tax policy subject to review, the policy committee shall assess the continued relevance of, or need for adjustments to, the policy, considering:

- (1) The reasons the tax policy was adopted;
- (2) The extent to which the reasons for the adoption still remain or whether the tax policy should be reconsidered;
- (3) The extent to which the tax policy is consistent or inconsistent with other state goals; and
- (4) The fiscal impact of the tax policy, including past and estimated future impacts. [PL 2015, c. 344, §4 (NEW).]

B. For each tax expenditure related to the tax policy under review, the policy committee shall assess the continued relevance of, or need for adjustments to, the expenditure, considering:

- (1) The fiscal impact of the tax expenditure, including past and estimated future impacts;
- (2) The administrative costs and burdens associated with the tax expenditure;
- (3) The extent to which the tax expenditure is consistent with the broad tax policy and with the other tax expenditures established in connection with the policy;
- (4) The extent to which the design of the tax expenditure is effective in accomplishing its tax policy purpose;
- (5) The extent to which there are adequate mechanisms, including enforcement efforts, to ensure that only intended beneficiaries are receiving benefits and that beneficiaries are compliant with any requirements;
- (6) The extent to which the reasons for establishing the tax expenditure remain or whether the need for it should be reconsidered; and
- (7) Any other reasons to discontinue or amend the tax expenditure. [PL 2015, c. 344, §4 (NEW).]

[PL 2015, c. 344, §4 (NEW).]

2. Action by the office. By July 1st in 2016 to 2018 and by December 15th of each year beginning in 2019 the office shall collect, prepare and submit to the policy committee the following information to support the expedited reviews under subsection 1:

A. A description of the tax policy under review; [PL 2015, c. 344, §4 (NEW).]

B. Summary information on each tax expenditure associated with the tax policy under review, including:

- (1) A description of the tax expenditure and the mechanism through which the tax benefit is distributed;
- (2) The intended beneficiaries of the tax expenditure; and
- (3) A legislative history of the tax expenditure; and [PL 2015, c. 344, §4 (NEW).]

C. The fiscal impact of the tax policy and each related tax expenditure, including past and estimated future impacts. [PL 2015, c. 344, §4 (NEW).]

[PL 2019, c. 161, §2 (AMD).]

3. Report by policy committee; legislation. By March 1st of each year, beginning in 2020, the policy committee shall submit to the Legislature a report on the results of the expedited reviews conducted pursuant to subsection 1 that year. The policy committee may submit a bill related to the report to the Legislature to implement the policy committee's recommendations.
[PL 2019, c. 161, §2 (AMD).]

SECTION HISTORY

PL 2015, c. 344, §4 (NEW). PL 2019, c. 161, §2 (AMD).

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