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Credit for Major Food Processing & Manufacturing Facilities Expansion – Evaluation Parameters

Approved April 14, 2023

The Government Oversight Committee (GOC) considered proposed evaluation parameters for OPEGA's full evaluation of the Credit for Major Food Processing & Manufacturing Facilities Expansion and received stakeholder input on March 24, 2023. The GOC voted to approve the following evaluation parameters, pursuant to 3 MRSA §999(1)(A) on April 14, 2023.

Purposes, Intents or Goals
<ol style="list-style-type: none">1. To create high-quality jobs in the State by encouraging major businesses to locate or expand their food processing and manufacturing facilities in this State and to encourage the recruitment and training of employees for these facilities; and2. To directly and indirectly improve the overall economy of the State including the agricultural economy, small businesses, employment in rural areas and expansion of the tax base.
Intended Beneficiaries
<p><u>Directly:</u> major businesses locating or expanding their food processing and manufacturing facilities in Maine</p> <p><u>Indirectly:</u> job seekers; and citizens and taxpayers of Maine</p>
Evaluation Objectives
<ol style="list-style-type: none">1. The fiscal impact of the tax expenditure, including past and estimated future impacts;2. The extent to which the design of the tax expenditure is effective in accomplishing the tax expenditure's purposes, intent or goals and consistent with best practices;3. The extent to which the tax expenditure is achieving its purposes, intent or goals, taking into consideration the economic context, market conditions and indirect benefits;4. The extent to which those actually benefiting from the tax expenditure are the intended beneficiaries;5. The extent to which it is likely that the desired behavior might have occurred without the tax expenditure, taking into consideration similar tax expenditures offered by other states;6. The extent to which the State's administration of the tax expenditure, including enforcement efforts, is efficient and effective;7. The extent to which there are other state or federal tax expenditures, direct expenditures or other programs that have similar purposes, intent or goals as the tax expenditure, and the extent to which such similar initiatives are coordinated, complementary or duplicative;8. The extent to which the tax expenditure is a cost-effective use of resources compared to other options for using the same resources or addressing the same purposes, intent or goals; and9. Any opportunities to improve the effectiveness of the tax expenditure in meeting its purposes, intent or goal.

Performance Measures

1. The number, geographic distribution and income of full-time employees added or retained during a period being reviewed who would not have been added or retained in the absence of the credit;
2. The number and amount of qualified investments made by certified applicants during the review period;
3. The increase in value in agricultural products produced in the State;
4. Direct and indirect economic benefits to the State attributable to qualified investments entitled to a credit under this section;
5. Annual revenues of each parent company of recipients;
6. CEO salaries, stock buybacks, and executive officer sales of stock following receipt of the tax credit for each recipient; and
7. Summary of information on profitability from SEC filings after receipt of the tax credit for each recipient.