

Summary of Public Comment on Evaluation Parameters for Tax Expenditure Evaluations

Prepared by OPEGA for GOC meeting 4/14/23

3 MRS §999(1)(B) Full Evaluation of Tax Expenditures. Evaluation Process. “Before final approval pursuant to paragraph A, the committee shall seek and consider input from the policy committee and stakeholders and may seek input from experts.”

The GOC received public comment on 3/24/23 on proposed parameters for evaluation of tax credits for:

- 1) Shipbuilding Facility Investment;
- 2) Major Business Headquarters Expansion;
- 3) Major Food Processing and Manufacturing Facility Expansion; and
- 4) Paper Manufacturing Facility Investment.

Comments are summarized below with OPEGA recommendations where applicable.

Purposes, Intents or Goals	No changes were suggested	
Intended Beneficiaries	No changes were suggested	
Evaluation Objectives	<p>Credit for Major Business Headquarters Expansion – Mr. DiMillo suggested a 2007 change to apportionment law should be considered in addressing evaluation objective #7.</p> <p>Credit for Paper Manufacturing Facility – The Twin Rivers Paper Company supported the parameters as proposed.</p> <p>Credit for Shipbuilding Facility Investment – General Dynamics Bath Iron Works supported the parameters as proposed.</p>	<p>Recommend amending parameters for the Credit for Major Business Headquarters Expansion to clarify that the 2007 change to apportionment law will be included in objective #7 for the purposes of analyzing expenditures, policies, or programs that may share similar goals with the credit.</p> <p>Recommend no changes to parameters for other three credits.</p>
Performance Measures	<p>Credit for Paper Manufacturing Facility Credit – The Twin Rivers Paper Company supported the parameters as proposed.</p> <p>Credit for Shipbuilding Facility Investment – General Dynamics Bath Iron Works supported the parameters as proposed.</p> <p>For All 4 Evaluations – The Maine Center for Economic Policy suggested additional performance measures:</p> <ol style="list-style-type: none"> 1. Number of recipients of each tax credit 2. Total dollar amount of refundable credits received by each recipient 3. Location of parent company/headquarters for each recipient 4. A list of businesses receiving each tax credit 5. Information on the quality of new and existing jobs (including pay and benefits) 6. Annual revenues of each parent company of recipients 7. Other Maine tax incentives and state funding received by each recipient 8. CEO salaries, stock buybacks, and executive officer sales of stock following receipt of the tax credit for each recipient 9. Summary of information on profitability from SEC filings after receipt of the tax credit for each recipient 	<p>Recommend no changes to parameters. <i>Additional proposed measures #1, 2, 3, 4, 5, and 7 would typically be included in OPEGA’s analysis to the degree possible and would be reported out if publicly reportable and relevant to a report’s findings. Hence, no change is needed to the parameters to incorporate these measures.</i></p> <p><i>Additional proposed measures #6, 8, and 9 are not typically part of OPEGA evaluations. However, we may include these, and any other data, to the degree necessary to evaluate individual tax expenditures. If the GOC would like to ensure these measures are analyzed and reported, they should be added to the parameters. OPEGA notes that it is unknown how readily available or publicly reportable these data are.</i></p>