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**MAINE STATE LEGISLATURE
 GOVERNMENT OVERSIGHT COMMITTEE**

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Credit for Major Business Headquarters 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 Business Headquarters 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
1. To create and retain high-quality jobs in the State by encouraging major businesses to locate their headquarters in the State or to expand their headquarters in the State.
Intended Beneficiaries
<u>Directly:</u> major businesses locating or expanding their headquarters in Maine
<u>Indirectly:</u> job seekers
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. This objective will include consideration of the 2007 change to apportionment law; 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; and 9. Any opportunities to improve the effectiveness of the tax expenditure in meeting its purposes, intent or goal.

Performance Measures

1. The number of additional full-time employees added during a period being reviewed and how employment during that period compares to the minimum employment requirements;
2. The amount of qualified investment during a period being reviewed, and how expenditures compare to the minimum level of expenditure required;
3. The change in the number of major business headquarters located in the State and the number of expansions of those headquarters during a period being reviewed;
4. Measures of fiscal impact and overall economic impact to the State;
5. The number of new employees for whom health benefits and retirement benefits are available.
6. Annual revenues of each parent company of recipients;
7. CEO salaries, stock buybacks, and executive officer sales of stock following receipt of the tax credit for each recipient; and
8. Summary of information on profitability from SEC filings after receipt of the tax credit for each recipient.