

**CHAPTER 10****TAX EXPENDITURE REVIEW****§199-A. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2001, c. 652, §7 (NEW).]

**1. Committee.** "Committee" means the joint standing committee of the Legislature having jurisdiction over taxation matters.

[PL 2001, c. 652, §7 (NEW).]

**2. Tax expenditure.** "Tax expenditure" means any provision of state law that results in the reduction of tax revenue due to special exclusions, exemptions, deductions, credits, preferential rates or deferral of tax liability.

[PL 2001, c. 652, §7 (NEW).]

**SECTION HISTORY**

PL 2001, c. 652, §7 (NEW).

**§199-B. Report**

**1. Report.** The bureau shall submit a report regarding tax expenditures to the committee by February 15th of each odd-numbered year. The report must contain:

A. A summary of each tax expenditure in the laws administered by the bureau; [PL 2001, c. 652, §7 (NEW).]

B. A description of the purpose and background of the tax expenditure and the groups likely to benefit from the tax expenditure; [PL 2001, c. 652, §7 (NEW).]

C. An estimate of the cost of the tax expenditure for the current biennium; [PL 2001, c. 652, §7 (NEW).]

D. Any issues regarding tax expenditures that need to be considered by the Legislature; [PL 2017, c. 211, Pt. E, §4 (AMD).]

E. Any recommendation regarding the amendment, repeal or replacement of the tax expenditure; and [PL 2017, c. 211, Pt. E, §4 (AMD).]

F. The total amount of reimbursement paid to each person claiming a reimbursement for taxes paid on certain business property under chapter 915. [PL 2017, c. 211, Pt. E, §4 (NEW).]

[PL 2017, c. 211, Pt. E, §4 (AMD).]

**SECTION HISTORY**

PL 2001, c. 652, §7 (NEW). PL 2017, c. 211, Pt. E, §4 (AMD).

**§199-C. Review**

The committee shall conduct the following reviews according to the following schedule. [PL 2001, c. 652, §7 (NEW).]

**1. Odd-numbered years.** During each odd-numbered year the committee may review the report required under section 199-B.

[PL 2001, c. 652, §7 (NEW).]

**2. Even-numbered years.** During each even-numbered year the committee may review current issues of tax policy.

A. During each second regular session, the committee shall identify areas of tax policy for review during the period between the end of the second regular session and the first regular session of the next Legislature. [PL 2001, c. 652, §7 (NEW).]

B. The committee may review:

- (1) Issues of tax policy related to tax expenditures identified in its review under subsection 1;
- (2) Issues related to the overall structure of the State's tax laws and the relative tax burdens on various classes of taxpayers;
- (3) The impact of the State's tax structure on taxpayer behavior, including incentives and disincentives to reside or locate businesses in the State;
- (4) Issues identified by the committee that require more detailed review than is possible during a regular session of the Legislature; or
- (5) Any other tax policy issue identified by the committee as needing legislative review. [PL 2001, c. 652, §7 (NEW).]

[PL 2001, c. 652, §7 (NEW).]

### **3. Specific tax expenditure review.**

[PL 2021, c. 635, Pt. H, §12 (RP).]

**4. Review of aviation tax expenditure.** The committee, by June 30, 2023, shall review the sales tax exemption under section 1760, subsection 88-A to determine whether the exemption provides an incentive for increasing investment in the aviation sector, attracting and retaining aviation business and basing aircraft in the State.

[PL 2013, c. 379, §1 (AMD).]

#### SECTION HISTORY

PL 2001, c. 652, §7 (NEW). PL 2011, c. 665, §6 (AMD). PL 2013, c. 368, Pt. VVVV, §1 (AMD). PL 2013, c. 379, §1 (AMD). PL 2015, c. 328, §2 (AMD). PL 2021, c. 181, Pt. A, §3 (AMD). PL 2021, c. 635, Pt. H, §12 (AMD).

#### **§199-D. Report**

The committee shall notify the Legislature of the results of each review conducted under section 199-C and may issue a report of its findings and recommendations. The committee may report to the Legislature any legislation necessary to implement recommendations resulting from the review conducted under section 199-C. [PL 2001, c. 652, §7 (NEW).]

#### SECTION HISTORY

PL 2001, c. 652, §7 (NEW).

#### **§199-E. Elimination of certain tax expenditures**

**(REPEALED)**

#### SECTION HISTORY

IB 2015, c. 1, §28 (NEW). PL 2021, c. 253, Pt. D, §3 (RP).

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