



Senate Resolution 222

Tax Exemption Study Committee 2017

Sunrise Template for Tax Expenditures



Chairman: Senator John Albers. Members: Senators Hufstetler, J. Hill, Black, Ligon & Dugan

Tax Expenditure Name:

Bill Number:
Start Date:
Sunset Date:

Fiscal Note Current?

YES NO Note for Older Version

Overview:

Intention (Check all that apply):

Administrative and Structural Policies:

- | | |
|---|--|
| <input type="checkbox"/> Reduce pyramiding effect or market distortions | <input type="checkbox"/> Provide clarification to existing law |
| <input type="checkbox"/> Conform to constitutional or federal laws/policy | <input type="checkbox"/> Prevent double taxation |

Economic Development:

- | | |
|--|--|
| <input type="checkbox"/> Create or retain jobs | <input type="checkbox"/> Improve industry competitiveness |
| <input type="checkbox"/> Provide support to an industry/area | <input type="checkbox"/> Reduce filing burden on taxpayers |

Public Interest:

- | | |
|--|--|
| <input type="checkbox"/> Induce certain designated behavior by taxpayers | <input type="checkbox"/> Reduce perceived inequity |
| <input type="checkbox"/> Promote existing social programs or endeavors | <input type="checkbox"/> Provide aid or tax relief |

Other: (Please fill in)

Please explain: (Include specifics - i.e. number of jobs created, groups or industries receiving relief, etc.)

Similar State or Federal Credits/Exemptions:

Why is a new tax credit/exemption necessary? Why are existing credits/exemptions insufficient?



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Evaluation Criteria

Part One: For all Tax Expenditures

Efficiency: *What ROI will the State and local governments receive due to this investment?
 List both tangible and intangible costs and benefits.*

Certainty: *Will there be a defined impact on the State and intended beneficiaries? Explain.*

Evaluation: *What data will taxpayers report to allow evaluation of the exemption? Where will this data be kept?*

Target Group: *How is this tax expenditure crafted to target intended beneficiaries?
 How are benefits distributed across the State? How will other businesses/individuals be affected?*

Transparency: *Are the costs and benefits for the tax expenditure clear and measurable? How?*

Simplicity: *What will be the administrative burden on the State? The compliance burden on taxpayers?*

Ownership: *Will State agencies be able to provide proper administration and oversight of the tax expenditure?*



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Part Two: For Tax Expenditures with an Economic or Public Interest Purpose

Leverage: *How are other stakeholders encouraged to participate or provide resources?*

Accountability: *Does the expenditure structure include performance-based incentives or clawback provisions?*

Permanency: *Will the incentivized activity remain once incentives are exhausted? Why or why not?*

Protection of Public Funds: *Are caps, sunset dates, or other limits used? Please list them.*

Prospective: *Is future activity incentivized, as opposed to rewarding past actions?*