

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 41 entitled  
3 “An act relating to developing a strategy for evaluating the effectiveness of  
4 individual tax expenditures” respectfully reports that it has considered the  
5 same and recommends that the bill be amended by striking out all after the  
6 enacting clause and inserting in lieu thereof the following:

7 Sec. 1. EVALUATION OF TAX EXPENDITURES

8 (a) The Joint Fiscal Office shall, in consultation with an organization or  
9 organizations with experience in the evaluation of tax expenditures, develop a  
10 strategy to evaluate the effectiveness of each Vermont tax expenditure in the  
11 report required by 32 V.S.A. § 312. The Joint Fiscal Office shall consider the  
12 experiences of other states and shall propose a strategy that identifies but is not  
13 limited to:

14 (1) an appropriate schedule and approach for evaluating tax  
15 expenditures;

16 (2) specific metrics for different tax expenditures based on the statutory  
17 purposes;

18 (3) sources of data and economic models, if any, that are matched to the  
19 identified metrics; and

20 (4) the composition and mandate of an appropriate body, if other than  
21 the General Assembly, to consider the effectiveness of tax expenditures.

1        (b) The Joint Fiscal Office shall present its findings and recommendations  
2        to the Senate Committee on Finance and the House Committee on Ways and  
3        Means by January 15, 2016. The Joint Fiscal Office shall, in addition to  
4        consulting with outside organizations, have the assistance of the Department of  
5        Taxes and the Office of Legislative Council.

6        (c) Upon the commencement of participation in the evaluation by any  
7        outside organization, the organization shall produce an example of a tax  
8        expenditure evaluation.

9        Sec. 2. EFFECTIVE DATE

10       This act shall take effect on passage.

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17       (Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

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FOR THE COMMITTEE