

1 S.41

2 Introduced by Senator Ashe

3 Referred to Committee on

4 Date:

5 Subject: Taxation; tax expenditures; evaluation

6 Statement of purpose of bill as introduced: This bill proposes to have the Joint  
7 Fiscal Committee develop a strategy for evaluating the effectiveness of  
8 individual tax expenditures.

9 An act relating to developing a strategy for evaluating the effectiveness of  
10 individual tax expenditures

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. EVALUATION OF TAX EXPENDITURES

13 (a) The Joint Fiscal Committee shall develop a strategy to evaluate the  
14 effectiveness of each tax expenditure in the report required by 32 V.S.A.  
15 § 312. The Joint Fiscal Committee shall consider the experiences of other  
16 states in evaluating the effectiveness of tax expenditures, and shall propose a  
17 strategy that identifies:

18 (1) any overarching goals for Vermont's tax expenditures;

19 (2) an appropriate schedule for evaluating individual tax expenditures;

1           (3) specific metrics for different tax expenditures based on an analysis  
2           of the statutory purposes;

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

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

7           (b) The Joint Fiscal Committee shall present its findings and  
8           recommendations to the Senate Committee on Finance and the House  
9           Committee on Ways and Means on or before January 15, 2016. For the  
10           purpose of this report, the Committee shall have the assistance of the  
11           Department of Taxes, the Joint Fiscal Office, and the Office of Legislative  
12           Council. Upon receipt of the report under this section, the Senate Committee  
13           on Finance shall introduce a bill to evaluate the effectiveness of Vermont's tax  
14           expenditures during the 2016 legislative session.

15           Sec. 2. EFFECTIVE DATE

16           This act shall take effect on July 1, 2015.