

TASK FORCE ON TAX EXPENDITURES

Minutes of the 5th Meeting of the 2018 Interim

December 13, 2018

Call to Order and Roll Call

The 5th meeting of the Task Force on Tax Expenditures was held on Thursday, December 13, 2018, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Christian McDaniel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Ken Fleming, Co-Chair; Senator Wil Schroder; Representatives Jason Petrie, Diane St. Onge, James Tipton, and Susan Westrom.

LRC Staff: Jennifer Hays, Cynthia Brown, and Chase O'Dell.

Approval of Minutes

Representative St. Onge moved that the minutes of the October 25, 2018, meeting be approved. Representative Fleming seconded the motion, and the minutes were approved by voice vote.

Discussion of Recommendations

The first task force recommendation would sunset all tax expenditures by June 30, 2020, except for the top 10 tax expenditures by dollar value. Representative Fleming stated that the top 10 expenditures were not recommended for sunset because the expenditures affect a significant number of individuals in the Commonwealth. Financial and social impacts must be examined when considering elimination of an expenditure.

The second recommendation would establish a Tax Expenditures Oversight Board. The oversight board would analyze all expenditures, particularly those that will sunset in 2020.

The third recommendation outlined items that would give more substance to the Tax Expenditure Analysis report that is published by the Office of State Budget Director.

The fourth recommendation would require the Department of Revenue to establish a process of collecting information under a unified system.

The fifth recommendation would require each budget bill to contain a summary of the tax expenditure analysis.

The sixth recommendation would require any new tax expenditure presented to the General Assembly to have an automatic sunset clause of five years.

With no further business, the meeting was adjourned.