

Review of Tax Expenditures

- Report on Tax Expenditures
 - Act 2015-237 requires the LFO to prepare an annual report that lists all state tax expenditures and the estimated cost associated with each expenditure
 - First report is due by the second legislative day of the 2017 Regular Session
 - The act also requires the House Ways and Means-Education Committee and the Senate Finance and Taxation-Education Committee to conduct joint hearings on the tax expenditure report every even-numbered year
- Report of economic tax incentives
 - Act 2016-389 requires agencies and departments that administer economic tax incentives to report certain information to the Department of Revenue beginning in fiscal year 2018
 - The Department will establish a 4-year cycle to review each of the programs

Report on Federal Funds

- Act 2015-438 requires agencies to annually report the amount of federal funds received by the agency
- Also requires agencies to provide plans if they have a reduction in federal funds of 5% or more and 25% or more
- Requires the Department of Finance to collect the information along with the FY 2018 agency budget requests
- Requires the Executive Budget Office to submit the report to the Joint Fiscal Committee by January 1, 2017
- Requires the Joint Fiscal Committee to review and make recommendations, upon receiving the report

Other

- Certificates of exemption
 - Act 2015-534 requires entities exempt from certain taxes in Alabama to annually obtain a tax exemption certificate and report the amount of tax exempt purchases
- Department of Revenue contract
 - Entered into a contract for the review of several specific tax credit programs, including the Historic Tax Credit and CAPCO
 - Requires the entity to review number of recipients and cost of the credits
 - Requires evaluation of whether the program accomplishes its purpose and the impact on the state's economy

Q&A