

## CREDIT SUNSET REVIEW PROCESS SUMMARY

### *Interim Process*

- Pre-session file bills extending sunset for all credits with 2014 sunset date.
- Allocate sunset extension bills to relevant policy committee with subsequent referral to revenue committee.
- Pre-session file and allocate to relevant policy committee extension for those credits with 2016 sunset date that meet criteria for early consideration.

### *Policy Committee Process*

- Review goal or purpose of credit.
- Evaluate effectiveness of credit in achieving goal.
- Consider new credits for achieving policy goals.
- Prioritize credits based on evaluation.
- Decide on action:
  - Simple extension—refer bill to joint tax credit committee.
  - Extension with modifications-amend bill refer to joint tax credit committee.
  - Allow credit to sunset—take no action on bill.
  - Replace existing credit with new more effective credit—refer new credit to joint tax credit committee.

### *Joint Tax Credit Committee Process*

- Determine credit revenue base—revenue impact of straight credit extension.
- Determine deviations from base in allowable total credit revenue impact based on:
  - Overall revenue and budget situation.
  - Consultations with leadership and ways & means co-chairs.
- Evaluate individual credits based on:
  - Policy committee recommendations.
  - Policy committee prioritizations.
  - Sound overall tax policy criteria such as equity and administration.
  - Prioritization of credits within overall credit “budget”.
- Take action on credit bills based on evaluation.