MEMO

DATE: August 19, 2026

TO: Government Oversight Committee

FROM: OPEGA Staff

RE: GOC Action on Tax Expenditure Categorization Process and Review Schedule

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Required 2026 Categorization and Scheduling Process

Each year, the GOC reviews and makes “any necessary adjustments to the review category assignments and schedule” according to 3 MRS §998(3). Statute dictates that this annual review shall be conducted by October 1 of each year, in consultation with the Taxation Committee of the Legislature. The GOC’s annual process builds on the work of previous Committees by reviewing the categorization of tax expenditures and the schedule of reviews, with a focus on any changes in the previous year that indicate expenditures should be added, removed or re-categorized.

OPEGA has provided the GOC with (1) proposed 2026 categorization changes, (2) a proposal to recategorize the Deductions for Interest and Dividends on Maine State and Local Securities to the No Review category, (3) the proposed updated schedule for full evaluations, and (4) the full list of expenditures on the No Review list.

Committee Process

Categorization and scheduling requires a GOC vote.

- Draft Motion Language: The Committee moves to [accept the categorization changes as recommended/accept the categorization changes with the following amendments…] and [accept the proposed schedule/accept the proposed schedule with the following amendments…].