



For Immediate Release

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Economic Development Tax Incentives Evaluation Act Passes Senate, moves to House

The Economic Progress Institute urges passage by the House

(Providence) – Yesterday the Senate passed a bill sponsored by Chairman DaPonte that will allow lawmakers to evaluate whether tax incentives enacted for economic development are fulfilling their purpose in a cost effective manner. The bill requires that a host of tax breaks related to economic development be evaluated every three years.

The Economic Progress Institute, a non-partisan research and policy organization, hailed this legislation as critically important to ensuring that the state is using its resources in the most effective way possible. Tax breaks tend to become permanent parts of the tax code with little or no evaluation as to whether the revenue forgone is helping to generate jobs or investment in the state.

“As lawmakers debate the fallout of the 38 Studios deal, there is a long list of other economic development incentives that have cost the state hundreds of millions of dollars over the past several years that are not being discussed or analyzed. It is time we put in place a process to evaluate more of the state’s economic development strategies,” said Kate Brewster, executive director of the Institute.

Several other bills that would subject tax expenditures to various degrees of scrutiny are making their way through the legislative process. But Brewster says that Senator DaPonte’s bill is the most comprehensive and mirrors the effective practices that Pew Charitable Trusts outlined in their 2012 report “*Evidence Counts*”. According to that report, Rhode Island is among the 25 states that do the least to evaluate whether tax incentives are benefitting their economy.

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About The Economic Progress Institute

The Economic Progress Institute - formerly The Poverty Institute - is a nonpartisan research and policy organization dedicated to improving the economic well-being of low- and modest-income Rhode Islanders. For more information visit www.economicprogressri.org.