



**Testimony Relating to H-5076 Budget Article 6  
Extending and Repealing the Sunset Dates of Tax Incentive Programs for  
Economic Development  
House Committee on Finance  
February 26, 2025  
Alan Krinsky, Director of Research and Fiscal Policy**

The Economic Progress Institute **opposes repealing** any sunset dates for economic development tax incentive programs and also **opposes extending** the sunset dates for such programs *unless* they are used to motivate evaluation of these programs.

**Sunset dates are critical elements of tax incentive programs for economic development – and they are of greatest value when used as part of oversight of such programs.** The sunset dates are put in place so that members of the General Assembly have the opportunity to exercise their responsibility to oversee the programs: to continue those that are generating economic activity; to improve those that could be doing a better job of achieving their goals; and to close those that are performing poorly and not providing a good return on investment for Rhode Islanders.

**Therefore, we urge you to reject Article 6 Section 10, which would repeal the sunset date for the Small Business Assistance Program.**

For the nine programs with proposed one-year extensions to their sunset dates (Sections 5-9 and 11-14), **if these extensions merely keep programs going without proper evaluation and oversight, then the Economic Progress Institute (EPI) opposes the extensions. If, however, the one-year extensions are embraced as an opportunity for the General Assembly to assess these programs and determine which ones should continue and which ones should not, then EPI would support the extensions.**

A report issued three years ago from the Office of Revenue Analysis (ORA) of Rhode Island's Department of Revenue provided an instructive reminder of the value of evaluation and sunset dates and the need for more persistent oversight:<sup>1</sup> **"Tax incentive evaluations cannot be documents that simply sit on a shelf."**

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<sup>1</sup> As authorized by the Rhode Island Economic Development Tax Incentives Evaluation Act of 2013, the Office of Revenue Analysis (ORA) of Rhode Island's Department of Revenue produces reports on Rhode Island's economic development programs. These reports are available at <https://dor.ri.gov/revenue-analysis/reports> and include the recently January 22, 2022 report on the Jobs Development Act (JDA) quoted here, with emphasis added.