

RFP Submitted Questions: Evaluation of Economic Impact of Alabama Tax Incentive Programs

Question Set A:

1. Will delivering on the Scope of Services and conducting analyses on Alabama's tax incentive programs, including the Alabama CapCo Credit, the Alabama Historic Rehabilitation Tax Credit Program, the Alabama Entertainment Industry Incentive Program, and the Alabama New Markets Development Program, preclude us from advising clients on these programs and guiding incentives negotiations in discussions in future? [There are no such contractual restrictions in this RFP, please see Section 9, Organizational Conflicts of Interest, as addressed in the original RFP.](#)

Question Set B:

1. What is the time period over which tax incentives should be evaluated? That is, would Alabama DOR like an evaluation of each program's performance during its most recent year of activity, since the program became active, or some other period? [The time period for the evaluation should start on January 1, 2008 \(or the inception date if a tax credit was initiated after January 1, 2008\) for each tax credit being evaluated and include projections for each tax credit through December 31, 2026.](#)

2. In comparing the costs and benefits of Alabama tax incentives to "other methods of economic development" and "direct state budget expenditures," will Alabama DOR provide the vendor with a list of alternatives the state is interested in considering? [Comparison of alternatives should be referenced to the "Tax Incentive Best Practices Report" \(Report I\) in which vendors provide a report detailing the best practices of specific state tax incentive programs. Non-tax incentive programs for economic development should also be considered.](#)

3. Over the duration of the study, will Alabama DOR staff be available to support the vendor with data retrieval (e.g., through survey dissemination and collection)? [Yes, upon award of the contract, vendors will be provided with points of contact at the Alabama Department of Commerce, the Alabama Historical Commission, and the Alabama Department of Revenue for the purpose of receiving data and information related to the tax credit programs.](#)

4. What is the available budget for this study? [No set budget has been set for this study. The Department of Revenue will expend some of its appropriated funds that are needed to contract for this study. Each proposal will be evaluated on several factors including cost, please see Section 12, Selection and Award, of the original RFP.](#)

Questions Set C:

1. Is information available on the amount of credits awarded each year for the past several years for each of the credits and tax against which they were claimed? [Yes](#)

2. Is it possible to distinguish between when the credits were earned and when they were taken as some credits are earned in one year but carried forward and claimed against tax liabilities in future years? [Yes](#)

3. What is the latest year of data available for these credits? [Data on the credits awarded during the 2015 calendar year is available. Taxpayer data is available on credits claimed in the 2014 tax year, however data on credits claimed in the 2015 tax year will not be available until at least November 2016, as returns are not due until October 2016.](#)

4. Is information available on additional funds that the tax credit recipients were able to leverage against the tax credit awards? In the case of the CAPCO credit, this question refers to any additional funding that the portfolio companies may have received? In the case of the NMTC program, this question refers to any additional funding the QALIC businesses may have received. (If those taxpayers are able to use the CAPCO credit for instance as a match or seed money for additional investment funds) [There is nothing in the law which prohibits the use of contribution funds for additional investments, however, data pertaining to additional funding received outside of the credit programs may not be available.](#)

5. Is data available on the NAICs code, credits earned/used, and tax liability for each of the tax credit recipients for each of the credits? [Yes](#)

6. In the case of the film tax credit and the historical preservation tax credit, is information available on the location and number of projects for each of the tax credits? [Yes](#)

7. What is ADOR's estimated budget for this RFP? [Please see Question Set B No. 4](#)

8. Does ADOR have access to a state-wide REMI model for Alabama? [No](#)

9. Are the amounts set aside for both the historic preservation credit and the film tax credit and new market tax credit awarded on a first-come first-serve basis or a pro-rata share or some other method?

[Historic preservation credit: Tax credits are reserved on a first-come first-serve basis based on estimated qualified rehabilitation expenditures. Unless otherwise stated in writing, the credit is taken pro rata based on the entity's ownership structure.](#)

[Film Tax Credit: Qualified and approved credits are award on a first-come first-serve basis.](#)

[New Market Tax Credit: Upon review and approval, entities were awarded on a first-come first-serve basis.](#)

10. In the case of the film tax credit, is information available on the amount of the sales/use tax and lodging exemption? [Yes](#)

11. Is it possible to know the name, amount of the investment, and NAICs codes for the portfolio companies invested in by the CAPCO program and for the QALIC businesses invested in by the NMTC investors? [Information and data will be available on invested companies within the scope of confidentiality provisions.](#)

12. In the case of the film tax credit and historic preservation tax credit, is information available on how the industry spends funds in the state. That is, for each of these credits is there a form that the recipients fill out that provides information on how the qualifying expenses are spent? [Yes](#)

13. Do you have information on the number and amount of transfers that take place for the historic rehabilitation credit? [Yes](#)

14. Are the biennial reports filed on the CAPCO programs publicly available? [Yes](#)