

THE PEW CHARITABLE TRUSTS

Recession-Ready Incentive Practices

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Pew helps states...

- Design processes to regularly evaluate tax incentives
- Produce high-quality evaluations that draw well-supported conclusions
- Consider the evidence as they decide how to create, reform, or end incentives

What can states do?

- Design incentives in ways that reduce fiscal risk
- Inform policy decisions with evaluations
- Plan to revisit programs for relevancy

Reduce fiscal risk

- Caps
- Control the timing of credit redemptions
- Link incentives with company performance
- Monitor and forecast costs

Inform policy decisions

- Identify programs that are working well
 - Make subtle changes to incentives to increase their return on investment
 - Repeal or replace ineffective or obsolete incentives
 - Have a more constructive conversation about incentives
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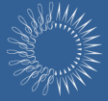


Revisit programs

- Include sunsets
- Evaluate incentives
- Prepare now

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Thank you

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