§ 181. Tax expenditure reporting. 1. Definitions. For the purposes of this section, the following definitions shall apply:

(a) "Tax expenditures" shall mean features of the tax law that by exemption, exclusion, deduction, allowance, credit, preferential tax rate, deferral, or other statutory device, reduce the amount of taxpayers' liabilities to the state by providing either economic incentives or tax relief to particular classes of persons or entities, to achieve a public purpose.

(b) "Cost of tax expenditure" shall mean the aggregate, estimated amount by which a tax expenditure reduces taxpayers' liabilities to the state on a taxable year basis, or on a calendar year basis if a taxable year basis is not appropriate.

2. Annual tax expenditure report. In addition to the information required by article seven of the constitution and section twenty-two of the state finance law, the governor shall submit to the legislature, as early as practicable, but no later than thirty days after submitting the budget, a tax expenditure report containing the following information and statements relating to tax expenditures in articles nine (other than section one hundred eighty), nine-A, thirteen-A, twenty-two, twenty-eight, thirty-one, thirty-two and thirty-three of the tax law:

(a) an enumeration of such tax expenditures;

(b) the provisions of law authorizing such tax expenditures, their effective dates, and, if applicable, the dates on which such tax expenditures expire or are reduced;

(c) if reliable data are available, estimates prepared by the commissioner of taxation and finance, in conjunction with the director of the budget, of the cost of such tax expenditures for the (i) current taxable or calendar year and (ii) the five preceding years;

(d) any recommendations of the governor regarding continuing, modifying, or repealing such tax expenditures, and such other information regarding tax expenditures as the executive may feel useful and appropriate;

(e) if the governor's budget includes proposals for the expiration, modification, or repeal of such tax expenditures or for the addition of tax expenditures in or to such articles or such law, such report shall also contain, to the extent reliable data are available, an analysis of

the number and types of persons and entities benefiting or expected to benefit from such tax expenditures, an estimate of the costs of such tax expenditures for the coming fiscal year, and an explanation of the reasons for the proposals;

(f) comment, if any, on the effectiveness and efficiency of other tax expenditures; and

(g) general cautionary and advisory notes concerning limitations of data, estimation procedures, sampling errors and imputed values, prominently displayed.

3. Any information relating to tax expenditures furnished by the commissioner of taxation and finance shall be furnished in accordance with the secrecy provisions of the tax law.