

Procedures of the Tax Expenditure Review Commission (TERC)

As presented December 10, 2025

Powers and Duties

- A. The TERC exercises the authorities and powers designated in Minnesota Statutes 2025, section 3.8855.
- B. TERC will use the following procedure as it relates to making official recommendations on a tax expenditure pursuant to Minnesota Statutes 2025, section 3.8855, subdivision 5(a)(9) to continue, repeal or modify a tax expenditure:
 1. After each evaluation presentation, TERC members will receive a tax expenditure evaluation form. Each member will fill out the form to indicate their agreement or disagreement with the listed propositions related to the effectiveness of the tax expenditure. This form should be distributed on the same day as the evaluation or as soon as practically feasible after the evaluation. Each individual TERC member form is non-public.
 2. After receiving the form, TERC members will need to return the form within one week to LBO staff.
 3. LBO staff will compile and aggregate the responses from TERC members. This will be reported at the following TERC meeting as an addendum to the evaluation. The aggregated report will also be available for review in advance of the meeting similar to other TERC meeting materials. The aggregated report is public, but de-identified.
 4. At the subsequent TERC meeting after the full evaluation and after members fill out their individual report, TERC members will discuss their recommendations and then vote on whether a tax expenditure should continue, be modified, or be repealed. The vote will be public.
 5. Results of the TERC members' vote to continue, modify, or repeal a tax expenditure will be included in the next annual TERC report.