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September 20, 2018

Comptroller Examines the Transparency of Business Incentives in Tennessee

The Tennessee Comptroller's Office has released a new report that explains Tennessee's various business incentives and describes the transparency measures associated with each incentive. Such measures include reports, public records, open meetings, and other ways in which information is made available.

Tennessee uses a diverse array of incentives to entice businesses and industries to relocate to Tennessee, begin or expand operations, or remain in the state. Tennessee's toolbox of incentives includes Payment in Lieu of Tax (PILOT) agreements, tax credits, tax exemptions, grants, and others.

The Comptroller's Office of Research and Education Accountability (OREA) examined federal and state laws, agency policies, and public records to catalog Tennessee's business incentives and assess the current level of transparency for each incentive. The full report also includes conclusions and policy options.

The report's key conclusions are:

- **The degree of transparency differs across the business incentives used in Tennessee.** Transparency for some business incentives involves public hearings before an incentive is provided to a business, annual reports that provide details on the status of the incentive program, or the posting of data and information online in an easy-to-understand form. For other incentives, state law does not require periodic reports on the status of programs, and data and information are not posted online.
- **Evaluations are not required for most business incentive programs.** OREA found one type of business incentive with a required evaluation on a periodic basis: business tax credits.

To read the report and view the summary infographic, please visit OREA's website at:

<http://comptroller.tn.gov/orea/>

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