

**From:** Earl Kim  
**Sent:** Thursday, November 13, 2014  
**To:** Director - GASB  
**Subject:** Tax Abatement Disclosure proposal

Hello GASB,

I am encouraged by the proposal to have more transparent accounting records as proposed by GASB. Your stated intent is a good starting point:

"This proposed Statement would require governments that are subject to tax abatement agreements to disclose the following:

1. General descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
2. The number of tax abatement agreements entered into during the reporting period and the total number in effect as of the end of the period
3. The dollar amount of taxes abated during the period.
4. Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement."

This is a good beginning, although I believe the proposed rules are very limited in scope. I would prefer to see the proposal also include:

- disclosure of ALL state and local subsidies to businesses,
- all recipients and their brokers fully identified (along with any fees paid),
- any campaign contributions by the companies and brokers (since the abatements are created by legislators-any payoffs?),
- rigorous accounting of how many jobs were added, if any (since this is usually a justification for these tax breaks),
- And these disclosures should cover the entire period of each deal as well as annual snapshots.

With such information made public, citizens and legislators will be able to ascertain if the tax abatements (which is revenue lost to the government entity and community) delivered on the promised jobs, growth, etc. are the promises for these abatements.

How else can we determine if these tax breaks are worthwhile to the community/nation, or if they are just corporate "giveaways" initiated by legislators for their corporate pals with little or even negative returns to the community?

Your proposal is a step in the right direction; please gather even more information so that citizens and government entities can determine the effectiveness of these tax breaks.

Thank you for allowing me to comment on this and I hope this proposal is expanded and implemented.

Sincerely,

Earl J. Kim  
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