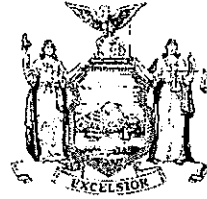


THOMAS P. DINAPOLI  
STATE COMPTROLLER



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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

January 23, 2015

Mr. David Bean  
Director of Research and Technical Activities  
Governmental Accounting Standards Board  
Project No. 19-20E  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Mr. Bean:

On behalf of the Office of the State Comptroller, we are pleased to respond to the Governmental Accounting Standards Board Exposure Draft (ED), Proposed Statement of the Governmental Accounting Standards Board on "*Tax Abatement Disclosures*". We have the following comments to share with the Board.

GASB Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements* indicates that notes to the financial statements are integral to financial statements and are essential or indispensable to a user's understanding of financial position or inflows or outflows. Also, there must exist a clear and demonstrable link between the notes and the financial statements. In the case where revenue is foregone and the government has not committed to expend additional resources under the tax abatement agreement, the disclosure of tax abatements does not provide an essential or indispensable understanding of the financial statements to the reader nor does disclosure provide a link to the financial statements. Therefore, in this case, the notes to the financial statements would not be an appropriate place for the disclosure.

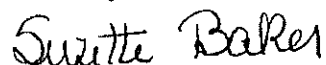
In the case where a government has committed existing resources to a project related to a tax abatement agreement, a general description of the commitment could be disclosed in the notes to the financial statements, if material, as part of the existing footnote related to commitments.

Additionally, GASB contends that the costs associated with implementation of the proposed Statement will be largely limited to the initial period of implementation, (paragraph B43). However, as the details surrounding the tax abatement agreements (i.e. the dollar amount by which the State's revenues are reduced during a reporting period) change from year to year, additional time and effort will be expended each year to collect, prepare, and report the relevant data. This proposal will, in fact, generate additional costs over the life of each tax abatement agreement -- costs which cannot be dismissed as one-time or insignificant. We respectfully request that the GASB carefully consider the relative benefits of providing disclosure in relation to the additional workload and costs of implementation.

In summary, the type of information that is the subject of the ED is relevant to the general citizenry and could be included instead in other documents currently prepared and published by the State.

Thank you for providing the opportunity to comment on this ED. If you have any questions or require further details concerning my comments, please feel free to contact me at (518) 486-1234.

Sincerely,



Suzette Baker, CPA, CGFM  
Executive Director  
Bureau of Financial Reporting and  
Oil Spill Remediation