



January 28, 2015

Sent via email to: [director@gasb.org](mailto:director@gasb.org)

RE: Project No. 19-20E

Mr. David R. Bean, CPA  
Director of Research and Technical Activities  
Governmental Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

Dear Mr. Bean:

The American Sustainable Business Council (ASBC) supports the proposed disclosure requirements for tax abatements provided by state and local governments. We believe that the proposed standards represent a momentous step forward for government transparency, accountability, and fairness. It is our hope that the proposed disclosure requirements become a tool that holds elected officials accountable for the public expenditures they make. We also hope that by using reported data, governments will begin to make financial decisions that are more prudent and effective.

Tax abatements have important ramifications for state and local governments and economies, because the revenue streams they diminish affect public goods—education, infrastructure, and workforce development—that are vital to the small and entrepreneurial businesses that create most new jobs. When such data become available, they will be useful to us and other small business advocates in assessing government spending priorities.

Though ASBC supports the overall proposed disclosure requirements, we believe that the requirements as written do not go far enough in two specific areas. First, ASBC believes that the public is entitled to know who benefits from these expenditures, that the disclosure standard should require that recipients of abatements be disclosed by name and location. This is necessary for a number of reasons including government

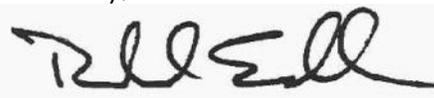
transparency, taxpayer accountability, and effective data collection. We understand that GASB's larger concern rests with the disclosure of expenses for the sake of accessing the financial condition of government entities, but we believe that the effectiveness of the proposed requirements would be enhanced by more specific reporting.

ASBC also believes that the Exposure Draft's definition of the term "tax abatement" is not sufficiently inclusive of the large variety of relevant tax expenditures. For example, the term as currently drafted does not apparently include payments in lieu of taxes ("PILOTS"), personal income taxes that are diverted to employers, or sales tax diversions. A more inclusive definition that picks up such expenditures would yield a more accurate picture of overall government expenditures that benefit specific private parties in the name of economic development.

ASBC is a growing network of business associations from around the United States; we represent 200,000 businesses and 325,000 business executives, owners, investors, and others. Our members believe that governments need to be more transparent in their spending if our communities are to have sustainable growth and development.

Thank you for the opportunity to offer comment on the proposed disclosure requirements. This marks a very important step forward and it is our hope that the proposed requirements will usher in an era of more effective oversight of government tax expenditures for economic development.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Eidlin", written over a light gray rectangular background.

Richard Eidlin  
Vice President, Policy and Campaigns  
American Sustainable Business Council