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Letter of Comment No. 234
File Reference No. 19-20E
Date Received: 1/29/2015
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Date: January 29, 2015

To: David Bean, Director of Research and Technical Activities
Governmental Accounting Standards Board

Cc: Jay Fountain, Karen Vitale, Michael Handler

From: David Yanik, Controller – City of Stamford, CT

Subject: Proposed Statement of Tax Abatement Disclosure Project No. 19-20E

The City of Stamford's Office of Administration generally supports the Proposed Statement of Tax Abatement Disclosure (Project No. 19-20E) as a much needed addition to the current revenue-related disclosures in the notes to financial statements. We do however, have the following additional comments:

- 1) We would like to see as broad a definition of tax abatement as possible (including subsidies, such as TIF's - tax increment financing), as well as any contingent or performance-based awards, calculated using current year mill rates (or other applicable tax rates, as appropriate). All of these forms of tax abatement have the potential to significantly impact governmental revenue sources and should therefore be disclosed to taxpayers.
- 2) Regarding the quantification issue, current fiscal year and next fiscal year amounts by program are quantified during either the financial reporting process or the budgeting process so the near-term impact is already a known amount. Beyond the near-term, amounts could be quantified with high/low/expected estimates by program and therefore should be disclosed over the expected life of the program (debt and lease payment disclosure tables would be appropriate formats to model on).
- 3) Naming all of the program participants would be cumbersome but most of that burden could be avoided by establishing a percent of total program threshold (say 5 to 10%) and reporting only those participants exceeding the threshold. Additionally, reporting this information in the required supplementary information tables would avoid adding to the already extensive burden of the external auditors.

Submitted via email to: director@gasb.org