



January 28, 2015

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

Dear Director:

The Service Employees International Union (SEIU) is submitting comments in response to the Governmental Accounting Standards Board's (GASB) exposure draft of accounting standards for tax abatement disclosures (Project No. 19-20E).

With over two million members, SEIU is a diverse union. From the 50,000 members who work for Los Angeles County to the 10,000 members who work for the State of Maine, SEIU is this nation's second largest public services union, with more than 1 million local and state government workers, public school employees, bus drivers, and child care providers. SEIU is also the nation's most diverse union. Fifty-six percent of SEIU members are women, and some 40 percent people of color. SEIU represents more immigrant workers than any other union in the United States. There are more than 150 SEIU local union affiliates and more than 15 state councils across North America.

SEIU uses its influence at the bargaining table and beyond to advocate for improvements to critical services for our communities. In the City of Los Angeles, for instance, SEIU Local 721 is working to improve the city's streets and accessibility for the disabled. In the City of St. Petersburg, Florida, SEIU and its community partners have developed a system of participatory budgeting which gives citizens a chance to have a greater voice in the City's budget decisions. Over and again, our members advocate to expand access to high quality services for communities that need them, whether that's public safety, education or health care. In order to be effective advocates, SEIU locals frequently use Comprehensive Annual Financial Reports that confirm to GASB's standards in order to accurately evaluate the fiscal health of entities that provide needed services to our communities. Accurate and comprehensive financial information is critical to inform our advocacy.

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SEIU supports GASB's goal of including the costs of tax abatements related to economic development in government financial statements. This information will give communities a more accurate picture of the decisions that are made that impact their city/state's long-term fiscal health. Information and transparency is a cornerstone of true democracy.

SEIU has had longstanding concerns about the use of tax abatements as a vehicle for job creation, since so frequently they do little to create good, living wage jobs in our communities. Also, abatements and tax breaks often increase the overall tax burden on working families. In order to evaluate their true impact, we must understand their true cost.

While SEIU supports the proposal, we think it could be stronger in the following ways.

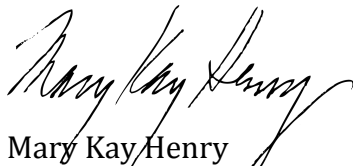
First, when working to improve critical services in our communities we need more than a current year understanding of the fiscal impacts of tax abatement spending obligations. Some governments have made enormous and long-term commitments that impact our ability to advocate for anything beyond the current fiscal year.

Second, we suggest you expand the definition of tax abatement, as your definition of tax abatement is too narrow. It doesn't include tax increment financing, personal income tax diversions or consumer sales tax diversions.

Third, we recommend that the GASB standard require recipient-specific disclosures of tax abatements. This is necessary because in many places, very large abatements have been granted to a small number of taxpayers.

Again, we applaud the GASB for this critical and timely improvement in public accounting. We look forward to 2017 when this new data will become available, and hope you adopt our recommendations to make the new standard as effective as possible.

Sincerely,



Mary Kay Henry
International President, Service Employees International Union