



Thursday, January 29, 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:

I am writing to express the Democracy Collaborative's support for the Governmental Accounting Standards Board (GASB)'s Exposure Draft on Tax Abatements. At a time when cities and states are financially strapped and struggle to provide basic public services, when economic development has become increasingly politicized, and when ever-growing wealth inequality further threatens to undermine our democracy, we believe it is critical that all records of public spending, especially those intended to create jobs, are made fully available to taxpayers and public officials alike.

The Democracy Collaborative is a national leader in equitable, inclusive and sustainable development, working to transform the practice of community economic development in the United States. Through a wide range of advisory, research and field building activities, we promote a community wealth building approach to economic development. Community wealth building is an asset-based, systemic approach to building local economies that aims to broaden ownership of capital, stabilize communities, promote equitable and inclusive growth, and to be socially, economically, and environmentally sustainable.

Shrouded tax abatement deals in the name of economic development truly impede the growth of a more equitable and sustainable economy that works for all communities. Abatement recipients – often large, profitable corporations – routinely benefit at the expense of local governments, undermining the ability of localities to deliver needed public goods and services, while rarely delivering on promised job growth and improved well-being. Full transparency of these deals has the potential to empower policymakers to make wiser decisions, allow taxpayers and investors to see spending more clearly, enable scholars to generate new analysis to better inform public discourse, and, ultimately, lead to greater accountability for use of public money.

We applaud GASB for focusing on this important form of public spending, and hope that GASB will closely consider our comments as well as the recommendations of Good Jobs First to

include all economic development tax abatements and ensure that no perverse incentives are created. Done right, new transparency standards will make way for greater accountability from tax abatement recipients, better protections for public spending, and a more open and honest debate over economic development priorities in our country.

Thank you for the opportunity to offer comment.

Sincerely,

A handwritten signature in black ink that reads "Ted Howard". The signature is written in a cursive, slightly slanted style.

Ted Howard  
Executive Director  
The Democracy Collaborative