



January 30, 2015

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

Re: Project No. 19-20E (Exposure Draft on Tax Abatement Disclosures)

Dear Mr. Bean,

The Colorado Society of Certified Public Accountants Governmental Issues Committee has reviewed the Exposure Draft on Tax Abatement Disclosures. We appreciate GASB's efforts to continuously improve financial statement presentation and disclosures to ensure information is relevant to financial statement users. Tax abatements are common within governmental entities and disclosure of these programs could provide useful information to citizens and other users of the financial statements we have an enhancement related to the proposed disclosures.

The proposed disclosures surrounding tax abatements appear to be related to lost revenues. However, there are multiple factors that governments consider prior to granting the tax abatement, which usually includes an evaluation of the expected benefits the government will receive in return for the lost revenues. We recommend GASB consider suggesting a forum of how and where governmental entities could disclose the expected benefits from the tax abatement. We recognize the expected benefits could cover multiple years and would be considered a significant estimate. Another alternative to disclosure of the expected benefits in the tax abatement footnote could be to include a discussion of the expected benefits within the Management's Discussion and Analysis.

We also concur with the Boards decision to disclose the tax abatement through the life of the contract. We believe this disclosure should continue through all of the years which are impacted.

We appreciate the opportunity to respond to this exposure draft. If you have any questions please feel free to contact Jim Rae, Chair of the Colorado Society of CPAs Governmental Issues Committee.

Thank you,

Jim Rae, Chair  
jrae@pnacpa.com  
Governmental Issues Forum  
Colorado Society of CPAs