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

Dear Mr. Bean:

On behalf of the Division of Local Government and School Accountability within the New York State Comptroller's Office, we appreciate the opportunity to provide comments to the Governmental Accounting Standards Board exposure draft *Tax Abatement Disclosures*. We have the following comments to share with the Board.

Overall, we agree with the Board that the proposed required disclosures provide useful information about a local government's economic condition and that this information should be included in aggregate as part of the comprehensive annual financial report. In most cases, this additional requirement should not be overly burdensome on local government financial statement preparers.

However, we are skeptical that tax abatements, as defined, meet the essential and indispensable definition from GASB Concepts Statement No. 3 to be included in the notes to the financial statements. We fail to see how this level of detail and explanation for a revenue figure that is not displayed on the face of the financial statements represents a clear and demonstrable link between the notes and the financial statements. This information about tax disclosures may be essential for placing the basic financial statements in economic context, but it is not essential to a user's understanding of those financial statements. Therefore, we believe detailed information about tax abatements would best be presented as required supplementary information (RSI) or other supplementary information (OSI).

If these tax abatements are presented as RSI or OSI, we believe it would be appropriate to also present the duration of these tax abatements.

In addition, if the Board agrees to present tax abatements as RSI or OSI instead of in the notes to the financial statements, we believe this would allow the Board to consider whether other tax expenditures should also be presented in the same manner in the future.

Thank you for the opportunity to comment on these issues affecting local governments in New York State. Should you have any questions regarding this response, please contact Dan Duffy at (518) 474-5505 or dduffy@osc.state.ny.us.

Sincerely,



Gabriel F. Deyo

cc: D. Duffy