



January 30, 2015

David Bean, 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

RE: Tax Abatement Disclosures

Dear Mr. Bean:

We appreciate the opportunity to respond to the GASB on the Exposure Draft (ED) on *Tax Abatement Disclosures*.

Although we agree in theory with the GASB's objective to provide financial statement users with essential information about the nature and magnitude of tax abatements, we have serious concerns with the approach and requirements as proposed in the ED.

The proposed disclosures appear to expand beyond the "essential to a user's understanding" criteria, as stated in Concepts Statement No. 3, for presentation in the notes to the financial statements. Specifically, information regarding eligibility requirements, provisions for recapture, and the mechanism for calculating the amount of the abatement, are of limited value in evaluating the nature and magnitude of tax abatements.

We anticipate that some governments could encounter conflicts with legal restrictions or confidentiality agreements, with the proposed disclosures and would favor disclosure requirements that allow for greater aggregation, or provide for an exception, if necessary, in such situations.

Also, we are aware that many governments may currently publish or otherwise make available much of the information that is encompassed by the proposed disclosure requirements. Perhaps a brief discussion in the MD&A of the nature and magnitude of tax abatements, along with information on how to access or obtain the more detailed available information, would be an alternative to disclosure in the notes to the financial statements.

Further, we are concerned that providing disclosures about tax abatements that are within the scope of this ED will inevitably lead to questions from financial statement users about other types of tax expenditures, and will ultimately result in the need to revisit this issue in a broader context and framework in the near future.

If you have questions or need additional information regarding this response, please contact Rich Schoeppner at (515) 281-4064.

Sincerely,

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