

June 24, 2015

TO: The Director of GASB

FR: Greg LeRoy, Good Jobs First*
Michael Mazerov, Center on Budget and Policy Priorities
Kenneth Thomas, University of Missouri-St. Louis
Julia Sass Rubin, Rutgers University
Timothy Bartik, W.E. Upjohn Institute
Shawn Escoffery, Surdna Foundation
Steve Kreisberg, American Federation of State, County and Municipal Employees
Joan Fitzgerald, Northeastern University
Joel Rogers, University of Wisconsin-Madison
John Kaehny, Reinvent Albany
Peter Fisher, Iowa Policy Project
Jon Whiten, New Jersey Policy Perspective
Richard Pomp, University of Connecticut Law School

RE: Preliminary Decisions on Tax Abatement Disclosures

We read with great concern certain passages of the Board's June 2-4, 2015 meeting on Tax Abatement Disclosures. At least as we read the minutes, it appears the Board's preliminary decisions augur against disclosure in ways beyond which we read commenters to have argued.

Specifically, when the Board writes:

The Board considered the disclosure proposed in the Exposure Draft of the number of tax abatement agreements entered into during the reporting period and the number of tax abatements in effect at the end of the reporting period. The Board tentatively decided not to require these disclosures in the final standards.

This would greatly reduce the value of disclosure. It would mean that even the most rudimentary computations such as the average value of an abatement, and a rough assessment of a program's trajectory (i.e., is it growing in use or declining?) would become impossible. To include such numbers is not at all burdensome, and we do not recall commenters arguing for such secrecy.

Also, when the Board writes:

The Board began redeliberations by considering comments made by respondents to the Exposure Draft who raised the concern that some governments might be legally or contractually prohibited from disclosing information required by the proposed standards. The Board tentatively decided to amend the general disclosure principles to allow governments that are legally prohibited from disclosing certain information about a tax abatement agreement to omit such information. Such governments would be required to identify the

general nature of the tax abatement information omitted and cite the source of the legal prohibition.

We are puzzled. Given that the Board has decided not to require any form of recipient-specific disclosure, we believe state laws covering tax-return and/or abatement-agreement secrecy are not applicable. Requiring one aggregate dollar figure for program cost is what states already do in tax expenditure budgets, even often for programs that do not disclose recipient-specific tax credit or tax exemption values.

Thank you for your consideration.

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