

The George Gund Foundation

January 7, 2015

Sent via e-mail to: director@gasb.org

RE: Project No. 19-20E, GASB Exposure Draft on Tax Abatements

Mr. David 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:

The George Gund Foundation is among the largest private foundations in Ohio. As an institution making grants to improve public education, human services, environmental quality, the arts and economic development in Cleveland and Northeast Ohio, we are constantly evaluating public policy proposals and seeking alignment of our grantmaking with public expenditures.

Consequently, GASB's Exposure Draft on Tax Abatements is relevant to our foundation's ongoing work. Please accept these comments on your exposure draft.

The Governmental Accounting Standards Board is to be commended for its effort to articulate standards by which state and local governments report the costs of tax-based economic development subsidies. Uniform reporting methods will enable government officials, academic researchers and policy advocates to have a much clearer picture of indirect subsidies and direct tax expenditures designed to stimulate private investment and economic development by states and localities. Perhaps more importantly, uniform reporting standards will allow for more reliable comparisons between jurisdictions. In short, we believe that increased transparency regarding public expenditures is always a good thing.

We are aware of comments on GASB's Exposure Draft on Tax Abatements filed last month by Policy Matters Ohio. The George Gund Foundation has provided annual grant support to this organization since its inception. We urge that you give careful attention to their comments about Ohio's Job Creation Tax Credit and Job Retention Tax Credit and the recommendation that such tax-based economic development incentive programs be included within GASB's definition of "tax abatement" in the final promulgation.

Respectfully submitted,



Robert B. Jaquay
Associate Director