



Telling the Tax Abatement Story in Your State & Town

Tipsheet for Using New GASB 77 Accounting Rule

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In 2015, the Government Accounting Standards Board (GASB) issued a new accounting rule (Statement 77) that requires about 50,000 local and state government bodies (those that adhere to GAAP accounting rules) to report for the first time how much revenue they lose annually to economic development tax abatement programs.

Subsidy Tracker 2: A Database of State/Local Tax Abatement Costs

Good Jobs First is gathering this new data in our Subsidy Tracker 2 database:
<https://www.goodjobsfirst.org/subsidy-tracker-2#/>.

Subsidy Tracker 2 is indexed by governmental body and then by fiscal year. (Our original Subsidy Tracker database is primarily organized by recipient company names and provides data in some cases going back many years.)

To date, Subsidy Tracker 2 has captured data from more than 10,000 state and local Comprehensive Annual Financial Reports (CAFRs), including abatement losses totaling \$28.1 billion. However, about 40 percent of jurisdictions do not appear to have adopted GASB 77, making no mention of the new rule and disclosing no abatements.

51 State-Specific “GASB 77 Roadmaps”

Who in your state oversees GAAP-compliant financial reporting? Which groups and individuals in your state advocated for or opposed this new rule?

<https://www.goodjobsfirst.org/good-jobs-first-gasb-77-state-roadmaps>

GASB 77 Background Information and FAQs

Learn the history of GASB Statement 77, read the text of the rule, and understand what the new rule means for transparency and inequality.

<https://www.goodjobsfirst.org/gasb-statement-no-77>

Good Jobs First's GASB 77 Chronicles

Read our ongoing commentaries on the development and implementation of GASB Statement 77. <https://www.goodjobsfirst.org/gasb-77-chronicles-good-jobs-firsts-commentaries-gasb-statement-no-77-takes-effect>

First-Ever Disclosures of Revenues Lost by School Districts

An Example of How GASB 77 Data Can Be Used

The New Math on School Finance (December, 2018) uses GASB 77 data to assess the cost of tax abatements to public education. Public schools across the country lost at least \$1 .8 billion in FY 2017 to economic development tax incentives granted to corporations. School districts in New York and South Carolina reported over \$300 million in forgone tax revenue. Louisiana, Ohio, and Oregon also suffered heavy losses, as revealed by the new disclosure rule. Read the full report here: <https://www.goodjobsfirst.org/sites/default/files/docs/pdfs/newmath3.pdf>.

Early Examples of Reporters Using GASB Statement 77 Data

- **Telling the Story of Costs to Local Government**
 - *SC counties gave businesses tax breaks worth more than \$200 million in 2016* (Maayan Schechter in *The State*.)
<http://www.thestate.com/news/politics-government/politics-columns-blogs/the-buzz/article204493794.html>
- **Telling the Story of Inequality**
 - *Big Business Tax Breaks May Worsen Income Inequality* (Mike Maciag in *Governing*) <http://www.governing.com/topics/finance/gov-tax-breaks-cities-affluent.html>
- **Telling the Lack of Transparency Story**
 - *Despite New Rules to Disclose Corporate Tax Breaks, Just Half of Local Governments Are* (Liz Farmer in *Governing*)
<http://www.governing.com/topics/finance/gov-new-rules-disclose-tax-breaks-half-governments.html>
- **Telling the Story of How Reporters are Using GASB 77**
 - *How an arcane, new accounting standard is helping reporters follow the money* (Mya Frazier in *Columbia Journalism Review*)
<https://www.cjr.org/watchdog/corporate-tax-breaks.php>