

Tax Abatement Reporting in New York

*The Governmental Accounting Standards Board (GASB) is the professional organization that establishes standards of accounting and financial reporting for state and local governments. In 2015, GASB added "[Statement No. 77 on Tax Abatement Disclosures](#)" to its Generally Accepted Accounting Principles (GAAP). GASB 77 requires state and local governments (including school districts) to report tax abatement programs in their annual comprehensive financial reports (ACFRs), specifying the **amount of revenue reduced or foregone** as a result of these tax abatements programs. This new rule, GASB 77, allows the public to see how much public-service revenue is lost due to tax breaks given to corporations. This road map highlights key people and organizations involved in the implementation of GASB 77, the reporting status of jurisdictions in the state, and other information relevant to GASB 77 compliance in New York.*

Who in state government is most likely to influence GASB 77 disclosure? [State Comptroller Thomas DiNapoli](#). The State Comptroller provides performance audits for local governments and school districts. The State Comptroller is the sole custodian of the state's pension funds. His office has a long record of corporate governance activism using pension assets (he is the sole trustee of The New York State Common Retirement Fund). Therefore, if GASB data is to become a variable for municipal bond raters, DiNapoli may become an ally.

Does the state's most recent ACFR include GASB 77 disclosure on state revenue losses?
Yes.

How many counties, municipalities and school districts in the state are required to conform with GAAP and therefore GASB Statements? According to GASB's [research brief](#) titled "State and Local Government Use of Generally Accepted Accounting Principles for General Purpose External Financial Reporting" (2008), none of New York's 57 counties, 1,545 municipalities, or 683 independent school districts are required by state law to use GAAP accounting. However, the same study indicates that many jurisdictions that are not legally required to follow GAAP do so anyway, presumably to satisfy credit ratings agencies and obtain the lowest possible interest rates on bond borrowings. It is not known how many New York jurisdictions adhere to GAAP.

Is there a state office that collects Annual Comprehensive Financial Reports (ACFRs) from counties/cities/school districts? The State Comptroller's Office collects ACFRs from local governments, and [posts them online](#).

Does state government monitor fiscal stress within county/municipality/school district? New York has been a recognized leader in fiscal stress testing. Annually since 2014, the Comptroller's Office [grades and ranks](#) each of the local government bodies.

Which state office is responsible for completing the state’s ACFR? New York Office of the State Comptroller.

Which of the state’s five most populous counties, municipalities, and school districts reported GASB 77 disclosures in the [most recent ACFR available](#)?

Report Tax Abatements	Do Not Report Tax Abatements
New York City	School districts do not issue their own financial reports because they are component units of cities.
City of Buffalo	
City of Yonkers	
City of Rochester	
City of Syracuse	
Nassau County	
Westchester County	
Erie County	
Suffolk County	
Monroe County	

Does the state government or do academic/NGO institutions provide technical assistance on GAAP, GASB or completing ACFRs? The State Comptroller’s Office provides technical assistance to local governments, including information on complying with new GASB Standards such as [GASB 77](#). A presentation given by Mark Cassidy of Cornell University in 2018 included two slides titled, [“Tax Abatements in New York State: GASB-77 and Making the Case for the Database of Deals.”](#)

Who commented on the GASB 77 Exposure Draft from New York? Twenty-seven entities (and several individuals) in New York submitted GASB 77 comments, far more than any other state. New York appears to be blessed with more pre-notified and interested parties in the new data than any state, and with a Comptroller who pays a great deal of attention to local-government ACFRs. Unless noted otherwise, all of the comments noted below were in favor of GASB Statement No. 77.

- A pan organizational letter signed by [13 labor, good government, and fiscal policy groups](#) spearheaded by Reinvent Albany:
 - AFSCME NY
 - Citizen Action of NY
 - Citizens Union
 - Civil Service Employees Federation
 - Common Cause NY
 - Fiscal Policy Institute
 - Good Jobs NY
 - Human Services Council
 - League of Women Voters NYS
 - NY PIRG
 - NYS Public Employees Federation
 - Reinvent Albany
 - Strong Economy for All Coalition

- [Partnership for Working Families – NY](#)
- [Education Law Center](#)
- [New York State United Teachers](#)
- [State Senators Krueger and Perkins](#)
- [Independent journalist Norman Oder](#)
- [NY State School Boards Association](#) (which called for disclosure of PILOTs)
- [NYC Independent Budget Office](#)
- [The Fiscal Policy Institute](#)
- [NYS Government Finance Officers’ Association](#) (called for disclosure of all tax-exempt properties, not simply abatements; strong statement on need for future year abatements to be disclosed; this comment stands in contrast to National GFOA, which opposed GASB 77.)
- [Pratt Center for Community Development](#)
- [Alliance for a Greater New York](#)
- Foundations ([Ford](#), [Heron](#) and [Ottinger](#))
- [The Partnership for New York City](#) (chamber of commerce equivalent)
- [A joint letter of elected officials](#) including New York City Council Member Brad Ladner and New York Assembly Member Felix Ortiz.
- [NY-based academics](#)
 - Thomas Angotti, CUNY
 - Hector Cordero-Guzman, CUNY
 - Peter Eisinger, New School
 - Teresa Ghilarducci, New School
 - William Goldsmith, Cornell
 - Nicole Marwell, CUNY
 - Richard McGahey, then of the New School
 - Ron Schiffman, Pratt Institute
 - Mildred Warner, Cornell
- [New York City Comptroller](#) and [NYC Director of Management and Budget](#)
- Office of the [State Comptroller](#) expressed concerns about the cost of implementing GASB 77 and argued that the financial comments section of a financial report is not an appropriate place for disclosure. The Comptroller’s Office also suggested that state level reporting would be preferable to local disclosure. (However, New York State is one of only three states in which the state’s online subsidy disclosure system captures local property tax abatements; Ohio and Louisiana are the other two.)

For more information on GASB 77, visit goodjobsfirst.org/tax-abatement-disclosures
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