

## Tax Abatement Reporting in South Carolina

*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 South Carolina.*

**Who in state government is most likely to influence GASB 77 disclosure?** State Treasurer Curtis Loftis, Jr. is responsible for overseeing transfers of state funds to local governments. Because of this, his office has oversight authority for local government audit statements. State Comptroller General Richard Eckstrom is the state's chief accounting officer, and therefore plays a role in defining the accounting standards and practices of local governments.

**Does the state's most recent ACFR include GASB 77 disclosure on state revenue losses?**  
No.

**How many counties, municipalities and school districts in the state are required to conform with GAAP and therefore GASB Statements?** According to South Carolina's [State Comptroller' 2022 Policy Manual](#), "All agencies submitting financial statements to be incorporated into the statewide ACFR must prepare fund financial statements to comply with GAAP." This document also notes: "It is generally advisable, and sometimes required by GAAP, for all state agencies and component units to initially implement new GASB pronouncements on a schedule that is specifically coordinated with the State of South Carolina's implementation plans." However, there is no guidance or mention related to GASB 77.

**Is there a state office that collects Annual Comprehensive Financial Reports (ACFRs) from counties/cities/school districts?** The South Carolina Association of Counties (not a state office) collects and [posts budgets and ACFRs](#) from all of the counties in the state. Counties and municipalities are required under [Section 14-1-208 of the 1976 State Code](#) to submit copies of audit statements to the State Treasurer. Noncompliance subjects local government bodies to a withholding of 25% of any state grant money until the audits are submitted. The State Treasurer publicly posts lists of [non-compliant cities and counties](#).

Although the Treasurer’s Office receives local ACFRs, it does not post them online. The State Comptroller has since 2008 operated a local government spending [transparency webpage](#), which includes several dozen participating counties and municipalities that post anything from their check registers to their financial statements. Links from the transparency website connect users to the local governments’ financial disclosure websites. The State Department of Education collects, aggregates and publishes detailed annual reports on [expenditures](#) and [revenue](#) by district. This site would be a useful place to gather GASB 77 disclosure information.

**Does state government monitor fiscal stress within county/municipality/school district?**

No.

**Which state office is responsible for completing the state’s ACFR?** South Carolina Comptroller General’s Office.

**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
City of Columbia	City of Charleston
City of North Charleston	Greenville County
City of Mount Pleasant	
City of Rock Hill	
Charleston County	
Richland County	
Horry County	
Spartanburg County	
Greenville County School District	
Charleston County School District	
Horry County School District	
Berkeley County School District	
Richland School District #2	

**Does the state government or do academic/NGO institutions provide technical assistance on GAAP, GASB or completing ACFRs?** The 2017 South Carolina [Department of Education Annual Audit Guide](#) includes guidance on how to properly report tax abatements under GASB 77. In addition, the South Carolina Association of Counties hosted a [webinar on GASB 77](#) on December 8, 2016.

**Who commented on the GASB 77 Exposure Draft from South Carolina?** No one.

**For more information on GASB 77, visit [goodjobsfirst.org/tax-abatement-disclosures](http://goodjobsfirst.org/tax-abatement-disclosures)**

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