

Tax Abatement Reporting in Iowa

*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 most state and local governments (including school districts) to report tax abatement programs (if they have such a program/s) 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 Iowa.*

Who in state government is most likely to influence GASB 77 disclosure? State Auditor Rob Sand. The State auditor oversees the audit of both the state and of all local government entities. Jay Cleveland is Chief Operating Officer of the Iowa State Accounting Enterprise (which oversees state accounts and prepares the state's ACFR).

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 Generally Accepted Accounting Principles (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), all of Iowa's 99 counties and 386 school districts are required by state law to use GAAP accounting. Iowa's 948 municipalities are not required by state statute, but many voluntarily do so according to the above research.

Does state government monitor fiscal stress within county/municipality/school district? Iowa [monitors fiscal stress](#) within school districts, but not within other local governments. Iowa is one of only two states (Georgia is the other) that largely [prohibits city governments](#) from filing for Chapter 9 bankruptcy.

Who commented on the GASB 77 Exposure Draft from Iowa? The [Iowa Policy Project](#) joined organizations in Illinois and New Jersey to submit a comment with a strong call for inclusion of TIF districts in GASB 77 disclosure. Professor Colin Gordon of the University of Iowa signed a joint letter from [48 leading academics](#), broadly supporting GASB 77 disclosures.

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 Des Moines	
City of Cedar Rapids	
City of Davenport	
City of Sioux City	
City of Ankeny	
Polk County	
Linn County	
Scott County	
Johnson County	
Black Hawk County	
Des Moines Independent Community School District	
Cedar Rapids Community School District	
Sioux City Community School District	
Davenport Community School District	
Iowa City Community School District	

Does the state government or do any academic/NGO institutions provide technical assistance on GAAP, GASB, or completing ACFRs? The Auditor of State provides local governments with technical assistance on issues pertaining to financial reporting. To its credit, the Auditor’s office has also issued detailed guidance on some GASB statements, including a [webinar](#) and [other resources](#) on Statement 77.

Is there a state office that collects Annual Comprehensive Financial Reports (ACFRs) from counties/cities/school districts? The Auditor of State’s office gathers ACFRs from counties, cities and school districts. ACFRs filed by [municipalities](#) and [audit reports](#) for all local government bodies are posted on the State Auditor’s website. [The State Department of Education provides](#) a series of data and performance metrics by school and school districts but does not appear to collect or post school district ACFRs. At least several county tax assessment offices list tax abatements on public databases of assessment records.

Which state office is responsible for completing state’s ACFR? Iowa Department of Administrative Services, State Accounting Enterprise.

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