

Tax Abatement Reporting in Louisiana

*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 Louisiana.*

Who in state government is most likely to influence GASB 77 disclosure? State Legislative Auditor Michael J. "Mike" Waguespack, (appointed by the Legislature in April 2021). The Legislative Auditor oversees both state and local government finances. Local governments are required by state statute to send ACFRs to the Legislative Auditor within six months of the close of the fiscal year.

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 Louisiana's 64 parishes, 66 independent school districts and 242 of its 302 municipalities (the remainder being exempt for size) are required by state law to use GAAP accounting.

Does state government monitor fiscal stress within county/municipality/school district?
Yes, the Legislative Auditor analyses local government ACFRs through the Local Government Reporting System for signs of fiscal stress. In 2019, the [Legislative Auditor began monitoring](#) and listing municipalities whose fiscal distress may limit their ability to provide basic services (utilities, police protection, etc.) to residents, or that have not provided statutorily required financial reports for the public to assess whether they are fiscally distressed.

Who commented on the GASB 77 Exposure Draft from Louisiana? [Louisiana Budget Project co-signed a letter with the Society of Professional Engineering Employees in Aerospace](#), a union

representing Boeing workers (among others), calling for disclosure of the multi-year impact of tax abatements. The [Louisiana Federation of Teachers](#) supported GASB 77 disclosure and called for disclosure of future-year costs of abatements.

Does the state government or do any academic/NGO institutions provide technical assistance on GAAP, GASB, or completing ACFRs? Yes, The Legislative Auditor’s office publishes materials to help local governments complete their financial reports. The office also [publishes an annual “best practices” list](#), which could be a useful place to mention GASB 77. In addition, the State Auditor runs the [Center for Excellence in Local Government](#) which provides targeted training on timely topics to local leaders.

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 New Orleans	Ouachita Parish
Baton Rouge/East Baton Rouge Parish	Caddo Parish
City of Shreveport	Caddo Parish Public Schools
Lafayette	
Jefferson Parish	
St. Tammany Parish	
Calcasieu Parish	
East Baton Rouge Parish Schools	
St. Tammany Parish Public Schools	
Calcasieu Public Schools	

Is there a state office that collects Annual Comprehensive Financial Reports (ACFRs) from counties/cities/school districts? The State Legislative Auditor’s Office collects ACFRs from local governments. ACFRs are not posted online, but [parish audit reports](#) containing basic financial information, but not financial footnotes where GASB 77 data would reside, are available. The Legislative Auditor also publishes annually a [list of local governments that have failed to file their ACFRs](#) with the state. Inclusion on this list can lead to the loss of some state funding.

Which state office is responsible for completing state’s ACFR? Louisiana Division of Administration.

Key issues in Louisiana that affect GASB 77 implementation. Louisiana used to be the only state in which *local* property tax abatements were granted by a single state board, the State Board of Commerce and Industry, through the Industrial Tax Exemption Program. This changed as a result of Governor John Bel Edwards signing [Executive Order JBE – 2016-26 in 2016](#), which eliminated abatements for miscellaneous minor additions to industrial facilities. It also required parish councils, school boards, and other local taxing bodies, to approve those

respective shares of tax abatements that reduce their tax base. The [23-member State Board of Commerce and Industry](#), includes public and private sector representatives. Appointed members by Edwards include Louisiana Budget Project director Jan Moller. Louisiana faces a large structural deficit exacerbated by huge increases in economic development tax spending by the two previous gubernatorial administrations and tax reform is expected to be a dominant topic of discussion in the coming legislative sessions. Louisiana law only allows tax matters to be considered in odd-numbered years.

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

Updated: January 2023