

Tax Abatement Reporting in Colorado

*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 Colorado.*

Who in state government is most likely to influence GASB 77 disclosure? State Auditor Kerri Hunter. The State Auditor and her staff [conduct](#) both performance audits and financial audits of the state's counties, municipalities and school districts. The auditor is appointed by the six-member Executive Committee of the State Legislature.

In 2015, the State Legislature passed, with bi-partisan support, [Senate Bill 203](#), requiring the State Auditor to gather and analyze information on the costs and effectiveness of the state's various tax expenditure programs. These tax expenditure reports are [available online](#). The most recent report available is from [September 2022](#).

Former State Auditor Dianne Ray began serving as a member of the GASB on July 1, 2020. Her term extends through June 30, 2025.

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 Colorado's 62 counties, its 178 largest municipalities (with 92 below a size threshold), and all 182 of its independent school districts are required by state law to use GAAP accounting.

Is there a state office that collects Annual Comprehensive Financial Reports (ACFRs) from counties/cities/school districts? The State Auditor's Office collects ACFRs from county

and municipal governments as required by the Audit Law (Section 29-1-601, et seq., C.R.S.). School districts are required by state law to send audited financials to both the State Auditor and the state’s Department of Education no later than December 31st each year. We can find no evidence that ACFRs are posted online.

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
Denver (City and County)	Denver Public Schools
Colorado Springs	Jefferson County School District
Aurora	Douglas County School District
Fort Collins	Cherry Creek School District
Lakewood	Aurora Joint School District No. 28
Denver County (City and County)	
El Paso County	
Arapahoe County	
Jefferson County	
Adams County	

Does the state government or do any academic/NGO institutions provide technical assistance on GAAP, GASB, or completing ACFRs? The State’s [Department of Local Affairs](#) training and technical assistance concerning financial management and reporting. [Colorado Counties, Inc.](#) and the [Colorado Municipal League](#) (CML) also distributes timely information about municipal finance to their members. CML operates a number of listservs, including one for local financial managers, that might be a useful forum for disseminating information on GASB 77 implementation.

Does state government monitor fiscal stress within counties/municipalities/school districts? Colorado’s State Auditor analyzes ACFRs in order to publish two fiscal health analysis reports triennially, one for [counties and municipalities](#) and a second for [schools](#).

Which state office is responsible for completing state’s ACFR? Colorado Department of Personnel and Administration, Office of the State Controller.

Who commented on the GASB 77 Exposure Draft from Colorado? Two organizations and two elected officials in Colorado submitted GASB 77 comments: FRESC: Good Jobs, Strong Communities (an affiliate of the Partnership for Working Families) [supported](#) for recipient name disclosure, disclosure of future year liabilities, and inclusion of TIF. Colorado Society of Certified Public Accountants [broadly supported](#) the Exposure Draft of GASB 77, including disclosure of long-term costs of abatement. It also recommended disclosure of the expected benefits from economic incentives. State Rep. K.C. Becker and Larimer County Commissioner Steve Johnson co-signed a pro-77 [comment](#) along with 62 other state and local elected officials.

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

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