

Tax Abatement Reporting in Connecticut

*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 Connecticut.*

Who in state government is most likely to influence GASB 77 disclosure? Connecticut has a decentralized relationship between state and local governments. None of the state's constitutional or cabinet offices appear to have oversight responsibility for local government finances. State Comptroller Sean Scanlon is responsible for establishing accounting standards for the state and state universities, and the State's Auditors (there are two, one from each party, in an arrangement unique among the states) have the responsibility of ensuring state agencies comply with accounting standards.

Former State Comptroller Kevin Lembo was widely viewed as a champion of transparency. His [OpenConnecticut](#) initiative, an effort continued by Scanlon, publishes real-time state financial information on its website. Lembo was a leading supporter of a bill requiring annual review of economic development incentives and tax credits, which the governor [signed into law](#) in 2017.

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 Connecticut's 169 municipalities and 17 school districts are required by state law (Section 7-394a of Connecticut General Statutes) to use GAAP accounting. Connecticut does have counties but they exist only as geographical regions, [without their own independent governments](#).

Is there a state office that collects Annual Comprehensive Financial Reports (ACFRs) from counties/cities/school districts? No.

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 Bridgeport	Fairfield County
City of Stamford	Hartford County
City of New Haven	New Haven County
City of Hartford	New London County
City of Waterbury	Litchfield County
	New Haven School District
	Bridgeport School District
	Waterbury School District
	Hartford School District
	Stamford School District

Does the state government or do any academic/NGO institutions provide technical assistance on GAAP, GASB, or completing ACFRs? In 2016 the Connecticut Housing Finance Authority and the Department of Housing released a [Conversion Manual and Accounting Guide](#) to assist entities administering a state sponsored housing project in converting their financial reporting systems to GAAP. In 2022, the State Comptroller gave a [presentation](#) on how to prepare GAAP forms.

Does state government monitor fiscal stress within counties/municipalities/school districts? Connecticut is one of 22 states to operate programs to monitor fiscal stress among local governments. The Legislature identifies local governments experiencing stress on an ad hoc basis and deals with each on a case by case basis. [Four special acts](#) have been enacted to restore fiscal sustainability within municipalities.

Which state office is responsible for completing state’s ACFR? Connecticut Office of the State Comptroller, Budget and Financial Analysis Division.

Who commented on the GASB 77 Exposure Draft from Connecticut? David Yanik, Controller of Stamford, CT [submitted](#) a broadly supportive comment, calling for broad disclosure of abatement programs, including TIFs and for inclusion of future year abatement liabilities in the reporting. Connecticut Citizen Action Group, joined 14 other affiliates of the Alliance for a Just Society in a [broadly supportive](#) comment calling for inclusion of TIFs and of future year abatement liabilities in the reporting. State Reps. Roland Lemar and Matthew Lesser and Danbury City Council member Paul Rotello joined 59 other local elected officials in [submitting a comment](#) broadly supportive of GASB 77. Professor Richard Pomp (University of Connecticut) joined 47 other academics to co-sign a [comment](#) broadly supportive of GASB 77.

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

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