

Tax Abatement Reporting in Georgia

*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 Georgia.*

Who in state government is most likely to influence GASB 77 disclosure? State Auditor Greg Griffin. The Georgia State Auditor reviews [local government audits](#) and is also the primary auditor for public school districts, state colleges, and universities. Georgia State Treasurer Steve McCoy is one of the State Treasurer representatives on the Executive Committee of The National Association of State Auditors, Comptrollers and Treasurers (NASACT).

Does the state's most recent ACFR include GASB 77 disclosure on state revenue losses? Yes, but the amount of taxes abated was not disclosed, only the program names and descriptions. Georgia's ACFR notes that the state is legally prohibited from disclosing detailed information due to the limited number of recipients under each program, though other states nonetheless include this information.

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 Georgia's 156 counties and 180 school districts are required by [state law](#) to use GAAP accounting. Three hundred and seventy-nine of Georgia's 531 municipalities are also required by state statute to use GAAP, with the remainder exempted because they have less than \$300,000 in annual expenditures.

Is there a state office that collects Annual Comprehensive Financial Reports (ACFRs) from counties/cities/school districts? Local governments are required by law to send copies of annual audits to the State Auditor's Local Government Audit Division for review. Local school audits and municipal audits and the underlying annual financial reports are posted online. Local governments that fail to supply annual audit statements are recorded as non-compliant and are subject to the loss of state aid.

Which state office is responsible for completing the state’s ACFR? Georgia State Accounting Office.

Does the state government or do any academic/NGO institutions provide technical assistance on GAAP, GASB, or completing ACFRs? In lieu of any guidance from the state auditor, the Carl Vinson Institute at the University of Georgia has published a [helpful bulletin](#) on GASB 77. The Vinson Institute is actively involved in training local government officials on a host of topics, including [financial reporting](#). The [Georgia Government Finance Officers Association](#) published a press release providing an overview of Statement 77, though it is no longer 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 |
|------------------------|--------------------------------|
| City of Atlanta | Athens-Clarke County |
| City of Columbus | Gwinnett County Public Schools |
| City of Augusta | |
| City of Savannah | |
| Fulton County | |
| Gwinnett County | |
| DeKalb County | |
| Cobb County | |
| Clayton County | |
| Cobb County Schools | |
| DeKalb County Schools | |
| Fulton County Schools | |
| Clayton County Schools | |

Who commented on the GASB 77 Exposure Draft from Georgia?

- [The Georgia Budget and Policy Institute](#) submitted a comment calling for the inclusion of personal income tax and sales tax diversions in abatement disclosures.
- [Stacey Abrams](#), then-Minority Leader of the Georgia House, submitted a comment calling for inclusion of income and sales tax diversions in disclosure requirements.
- [The Georgia Economic Developers Association](#) submitted a comment expressing concern about possible confusion if the exposure draft was implemented. Its comment focused on technical elements including whether a public authority was really a government and whether abatement costs would be overstated if they were not offset by benefits like incremental sales taxes.
- [The Development Authority of Fulton County](#) submitted a comment centering on technical objections surrounding the definition of abatement, and ambiguity when the state is the title-holder of a property where leasehold improvements are made that benefit a private interest.

- [The Georgia Government Finance Officers Association](#) filed a comment that roughly follows the objections made by national GFOA as well as affiliates in several other states. Georgia GFOA contended that state and local governments in Georgia are banned from providing abatements, that this right is reserved for development authorities which are per se not governments. Like other GFOA affiliates, it also argued the draft standard was misleading because it does not require disclosure of benefits as well as costs.
- [The Henry County Development Authority](#) (acting through their legal firm, Meadows and Macie), filed a comment identical to Georgia GFOA's above.
- [Prof. Dan Immergluck of Georgia Institute of Technology](#) joined 47 other academics to co-sign a comment broadly supportive of GASB 77.

Does state government monitor fiscal stress within counties/municipalities/school districts? The state does not monitor fiscal stress. However, the state works with the University of Georgia's Carl Vinson Institute of Government via the [Tax and Expenditure Data Center for Local Governments](#) to provide community-specific financial information to the public – including downloadable data files. This would be a good place to add GASB 77 disclosures.

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

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