

Tax Abatement Reporting in Wisconsin

*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 Wisconsin.*

Who in state government is most likely to influence GASB 77 disclosure? State Treasurer John Leiber, but the State of Wisconsin does not have significant oversight of local government finances.

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 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), 45 of Wisconsin's counties, 26 municipalities, and all 442 school districts are required by state law to use GAAP accounting. Counties and municipalities with populations below 25,000 residents are exempted from GAAP requirements.

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

Does state government monitor fiscal stress within county/municipality/school district? No.

Which state office is responsible for completing state's ACFR? Wisconsin Office of State Controller.

Does the state government or do academic/NGO institutions provide technical assistance on GAAP, GASB or completing ACFRs? The State's [Uniform GAAP Conversion Policies and Procedures Manual](#) serves to help jurisdictions convert from a budgetary basis of accounting to GAAP compliance. This would be an ideal place to include GASB 77 compliance guidance.

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 Milwaukee	City of Kenosha
City of Madison	City of Racine
City of Green Bay	Milwaukee County
	Dane County
	Waukesha County
	Brown County
	Racine County
	Milwaukee Public Schools
	Madison Metropolitan School District
	Kenosha School District
	Green Bay Area School District
	Racine Unified School District

Who commented on the GASB 77 Exposure Draft from Wisconsin?

- The Wisconsin Department of Administration submitted a [comment](#) opposing GASB 77, saying the disclosures were not consistent with GAAP.
- The Wisconsin Legislative Auditor Joe Chrisman, also submitted a [comment](#) opposing GASB 77, saying financial reports are not an appropriate place for subsidy disclosure, that requiring disclosure of costs without also requiring a disclosure of benefits would present an incomplete picture, and worrying about the prospect of disclosure creep in the future.
- Professor Joel Rogers 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

Updated January 2023