

Tax Abatement Reporting in Delaware

*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 Delaware.*

Who in state government is most likely to influence GASB 77 disclosure? State Auditor Lydia York. The State Auditor, however, does not have any direct oversight of local government audits.

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), Delaware's 19 school districts are required by state law to use GAAP accounting. None of Delaware's three counties or 57 municipalities are required to use GAAP. However, the same study indicates that many jurisdictions that are not legally required to follow GAAP do so anyway, presumably to satisfy credit ratings agencies and obtain the lowest possible interest rates on bond borrowings.

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

Does the state government or do any academic/NGO institutions provide technical assistance on GAAP, GASB, or completing ACFRs? The [Delaware League of Local Governments](#), a non-profit advocacy organization, has worked cooperatively with the [University of Delaware's Institute for Public Administration \(IPA\)](#) over the past several decades to provide information, support, and leadership development programs to Delaware municipalities. However, there have been no trainings on GASB 77.

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 Wilmington	City of Dover
Kent County	City of Newark
New Castle County	City of Middleton
	City of Bear
	Sussex County

Does state government monitor fiscal stress with county / municipality/ school districts?
No.

Which state office is responsible for completing state’s ACFR? Delaware Department of Finance, Division of Accounting.

Who commented on the GASB 77 Exposure Draft from Delaware? Former State Rep. John Kowalko joined 61 other local elected officials in [submitting a comment](#) broadly supportive of GASB 77.

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

Updated January 2023