

Tax Abatement Reporting in Alaska

*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 Alaska.*

Who in state government is most likely to influence GASB 77 disclosure? Unclear. Alaska's government is based on a strong commitment to Home Rule, with little oversight by state government over the affairs of [First Class Cities and Boroughs](#). The state's [Department of Commerce, Community, and Economic Development](#) does have some oversight responsibility of Second Class Cities, the smallest governmental entities in the state.

Alaska has two types of municipal government: organized cities and organized boroughs. A city can be within an organized borough or within the unorganized borough. There are three classifications of cities in the state:

- Home Rule cities – 400 or > permanent residents; legislative powers not prohibited by law or charter
- First Class cities – 400 or > permanent residents; state law defines powers, duties, and functions
- Second Class cities – 25 or > permanent residents; state law defines powers, duties, and functions

A city is governed by a City Council. A borough is governed by a Borough Assembly. Alaska law requires all municipalities to [submit an annual audit](#), except for second class cities, which may, generally, submit an audit if required or a statement of annual income and expenditures commonly called a certified financial statement.

Does the state's most recent ACFR include GASB 77 disclosure on state revenue losses?
No.

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), none of Alaska’s boroughs (county equivalent), municipalities, or school districts are required by state law to use GAAP accounting. 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.

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 Ketchikan	Municipality of Anchorage
	City of Fairbanks
	City and Borough of Juneau
	Kenai Peninsula Borough School District
	City of Ketchikan
	Matanuska-Susitna County
	Fairbanks North Star County
	Kenai Peninsula County
	Juneau County
	Anchorage School District
	Matanuska-Susitna Borough School District
	Fairbanks North Star Borough School District
	Galena City School District
	Kenai Peninsula Borough School District

Is there a state office that collects Annual Comprehensive Financial Reports (ACFRs) from counties/cities/school districts? Second Class Cities file certified financial statements with the Department of Commerce, Community, and Economic Development annually. All [school districts in](#) the state submit audits and financial statements to the state Commissioner of Education and Early Development each year by November 15. None of these documents are posted online.

Does the state government or do any academic/NGO institutions provide technical assistance on GAAP, GASB, or completing ACFRs? The Department of Commerce, Community, and Economic Development publishes an annual [Certified Financial Statement Reporting Manual](#) to assist Second Class Cities in preparing their financial reports.

Does state government monitor fiscal stress within counties/municipalities/school districts? No.

Who commented on the GASB 77 Exposure Draft from Alaska? No one.

Which state office is responsible for completing state's ACFR? Alaska Department of Administration, Division of Finance.

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

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