

Federal Accounting Standards Advisory Board

For more information:
Wendy Payne
(202) 512-7357
PayneW@fasab.gov

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NEWS RELEASE

FASAB Issues Statement of Federal Financial Accounting Standards 52, *Tax Expenditures*

The chairman of the Federal Accounting Standards Advisory Board (FASAB or “the Board”), D. Scott Showalter, announced today that FASAB has issued Statement of Federal Financial Accounting Standards (SFFAS) 52, *Tax Expenditures*.

SFFAS 52 requires narrative disclosures and information regarding tax expenditures. According to Chairman Showalter, the new standards, which affect disclosures in the consolidated financial report of the U.S. Government, “will help users understand tax expenditures, their general purposes, impact on tax collections, and contribution to program costs.”

ABOUT FASAB

FASAB serves the public interest by improving federal financial reporting through issuing federal financial accounting standards and providing guidance after considering the needs of external and internal users of federal financial information.

Financial reports, which include financial statements prepared in conformity with generally accepted accounting principles, are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, the Board plays a major role in fulfilling the government's responsibility to be publicly accountable. Federal financial reports should be useful in assessing (1) the government's accountability and its efficiency and effectiveness and (2) the economic, political, and social consequences, whether positive or negative, of the allocation and various uses of federal resources.

FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit: www.fasab.gov.