

From: [Simpson, Cynthia - OCFO](#)
To: [FASAB](#)
Cc: [Brown, Kevin L - OCFO](#); [Tekleberhan, Karen - OCFO](#); [DiGiantommaso, Jennifer M. - OCFO](#); [Wyes, Tesfaye T - OCFO](#); [Balin, Robert - OCFO](#); [Sacchetti, Dylan M - OCFO](#); [Payne, Wendolyn M](#)
Subject: US DOL/OCFO Comments on Exposure Draft, "Tax Expenditures: MD&A and Disclosure Requirements (June 2,2016)"
Date: Wednesday, September 07, 2016 12:03:14 PM

This e-mail is sent on behalf of Jennifer DiGiantommaso.

Below please find comments from the U.S. Department of Labor (DOL), Office of the Chief Financial Officer (OCFO), on the exposure draft of proposed Statement of Federal Financial Accounting Standards, "Tax Expenditures: Management's Discussion and Analysis and Disclosure Requirements (June 2, 2016)." Comments were requested by June 15, 2016.

DOL/OCFO did not provide responses to the Board's specific questions one through four and has no comments on the questions at this time. DOL provided comments in response to the Questions for Respondents, ". . . the Board also welcomes your comments on other aspects of the proposed Statement."

DOL/OCFO appreciates the opportunity to provide comments. If there are any questions, please contact: Jennifer DiGiantommaso DiGiantommaso.Jen@dol.gov or Cynthia Simpson, simpson.cynthia@dol.gov
Both may be reached at 202-693-6800.

Regards,

Jennifer DiGiantommaso
Accounting Officer
U.S. Department of Labor
Office of the Chief Financial Officer
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**U.S. Department of Labor**  
**Office of the Chief Financial Officer**  
**Comments on FASAB ED: "Tax Expenditures:**  
**Management's Discussion and Analysis**  
**and Disclosure Requirements (June 2, 2016)."**

Below please find the U.S. Department of Labor, Office of the Chief Financial Officer's, comments on other aspects of the proposed statement.

1. Paragraph 10. Although the reporting requirements of the proposed Statement do not apply to the financial statements of component reporting entities, the standards may indirectly increase the reporting requirements of component reporting entities. Information presented in the consolidated financial report of the U.S. Government (CFR) is based, among other things, Agencies' "closing package" reporting submitted through the U.S. Department of the Treasury's (Treasury's) Governmentwide Financial Report System (GFRS); at the component entity reporting level, the closing package has its own audit and audit opinion. If Treasury requires additional information from the Agencies through the closing package, this would increase reporting and audit requirements at the component entity level.

Treasury also collects information from Agencies in less formal reporting and processes, e.g., data calls to Agencies requesting information based on interim reporting. If Treasury requires additional information from Agencies

through informal reporting processes, this would increase reporting requirements at the component entity level. The draft CFR goes through review at the Agency level; an increase in CFR reporting may also increase review at the Agency level.

Increased costs associated with Agencies' formal and informal reporting, auditing, and review processes is a factor that should be considered in the cost/benefit of the Statement.

2. Paragraphs 19 and 20, Appendix D. The qualitative aspects of tax expenditures should also be considered, e.g., the tax expenditures that are used most frequently (most popular); tax expenditures that are more likely subject to fraud and abuse.

3. Paragraph 22. The required implementation date should be later than FY 2018 so it would not occur at the same time as implementation of SFFAS 47, Reporting Entity.

4. Throughout the document, references are made to tax expenditure reports of the Treasury's Office of Tax Policy. As far as we could determine, the Treasury report covers tax expenditures on income taxes, but not on other types of tax expenditures (e.g., excise taxes, employment taxes, and estate and gift taxes). When providing information about tax expenditures, the information should be specific as to whether they are tax expenditures for income taxes or some other type of taxes.

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**From:** FASAB [<mailto:FASAB@updates.gao.gov>]  
**Sent:** Wednesday, August 31, 2016 12:01 PM  
**To:** Simpson, Cynthia - OCFO  
**Subject:** Tax Expenditures ED Comment Deadline - 9/15



The Federal Accounting Standards Advisory Board (FASAB or "the Board") reminds you that September 15 is the comment deadline for the exposure draft (ED) titled [Tax Expenditures: Management's Discussion and Analysis and Disclosure Requirements](#).

FASAB welcomes your input on any aspect of the ED. Specific questions for your consideration appear on page seven of the document, but you are welcome to comment on any aspect of the proposal. If you do not agree with the proposed approach, your response will be most helpful to the Board if you explain the reasons for your position and any alternative you propose. Please email your comments to [fasab@fasab.gov](mailto:fasab@fasab.gov).

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