



April 16, 2007

## Taxpayers Support Creating Grant and Contract Database in Georgia

Dear Legislator:

On behalf of our thousands of members in Georgia, we ask you to support the Transparency in Government Act (SB 300). Introduced by Senators Rogers and Pearson, this legislation would create a public website (available by January 1, 2008) that would list all state expenditures (e.g., appropriations, grants, loans, awards, and contracts). Providing such a database would better enable state residents to make sense of how their tax dollars are being parceled out.

As you may know, last year President Bush signed S. 2590, the Federal Funding Accountability and Transparency Act, into law. Originally sponsored by Senators Tom Coburn (R-OK) and Barack Obama (D-IL), the bipartisan legislation directs the U.S. Office of Management and Budget to create a searchable online database (located at [www.federspending.gov](http://www.federspending.gov)) that the general public can use to track the flow of hundreds of billions of dollars in federal disbursements.

Georgia residents deserve the same kind of openness from Atlanta. Creating such a website on the state scale would entail little cost, but it would greatly increase transparency in the distribution of precious tax dollars as well as accountability for spending programs. While more than a dozen other states have limited versions of disclosure websites for grants and/or contracts, no state to date has created a single database. By acting now, Georgia has the opportunity to lead the nation in making government spending data more easily available to the public.

While SB 300 mainly focuses on opening up state spending to the public, the bill also calls for an annual "lost revenue report" from the Department of Revenue that details "all provisions of state tax law that reduce state revenue through exclusions, deductions, credits, exemptions, deferrals, or other preferential tax treatments." We are concerned that this section is too loosely defined and could result in numerous conflicts with privacy statutes that will unnecessarily burden taxpayers as well as state officials. Furthermore, the mere definition of "lost revenue" entails estimation techniques that often do not capture the effect of changes in economic behavior that tax policies trigger. State spending, on the other hand, is far more straight forward. The section also gives too much latitude to the Department of Revenue to collect information and even deny future tax benefits if certain reports are not filed. We strongly suggest that this section either be clarified or eliminated.

As we found at the federal level, support for a government spending website will likely transcend party lines. Advocates from across the opinion spectrum share the common notion that transparency of and public access to government information is vital to the health of our political system. We sincerely hope you decide to support this concept in any final legislation. If we can be of any assistance in this effort, please do not hesitate to call upon us.

Sincerely,

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National Taxpayers Union

David Williams  
Vice President, Policy  
Council for Citizens Against Government Waste