

The Revenue Impact of Corporate Tax Incentives

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 money for public services is lost to tax breaks given to corporations. This fact sheet summarizes that foregone revenue for the five most populous cities, counties, and school districts (where available) and the state itself in New York.

Between fiscal years 2017 and 2021, the state of New York and its five largest cities and counties **lost nearly \$25.8 billion** due to economic development tax breaks – more than the state’s General Fund spent on education alone in 2021 (\$23.1 billion).

Foregone Tax Revenue, Five Most Populous Cities, Counties and State of New York

	2017	2018	2019	2020	2021
City of Buffalo	\$10,466,291	\$10,281,962	\$19,408,154	\$18,181,162	\$11,882,745
City of Rochester	\$2,305,070	\$11,592,191	\$27,187,199	\$29,802,764	\$30,970,873
City of Syracuse	\$16,931,779	\$17,752,729	\$17,273,236	\$19,138,960	\$18,527,611
City of Yonkers	\$11,591,436	\$(2,863,207)	\$15,637,839	\$31,927,818	\$9,623,222
Erie County	\$3,542,318	\$3,974,853	\$3,718,746	\$3,834,993	\$3,767,613
Monroe County	\$6,500,000	\$7,300,000	\$7,300,000	\$8,100,000	\$11,000,000
Nassau County	\$23,998,000	\$22,023,000	\$24,568,000	\$42,124,000	\$38,632,000
New York City	\$3,389,468,000	\$3,540,095,000	\$3,802,359,000	\$3,853,259,000	\$4,049,642,831
Suffolk County	\$2,970,511	\$13,083,362	\$8,937,712	\$2,492,547	\$2,819,815
Westchester County	\$2,461,057	\$2,172,790	\$2,189,540	\$2,719,972	\$4,136,815
State of New York	\$1,239,278,243	\$1,428,000,000	\$1,469,000,000	\$1,221,000,000	\$1,211,600,000
Annual Total	\$4,709,512,705	\$5,053,412,680	\$5,397,579,426	\$5,232,581,216	\$5,392,603,411

Selected Cities, Counties, and State Five-Year Total: \$25,785,689,438

Source: Annual Comprehensive Financial Reports for the reported jurisdictions. e

The table above represents **only** the five most populous cities, counties, and the state itself. The statewide total is presumably much higher. During this five-year period, some jurisdictions increased the amount of foregone tax revenue from economic development tax abatements significantly. Many of these abatements are in the form of Payment in Lieu of Taxes (PILOT) agreements, which effectively provide deep, decades-long property tax discounts to selected companies.

Key findings:

- **From 2017 to 2021, revenue losses for the five most populous cities, counties, and the state of New York increased by 14%**, from \$4.7 billion in 2017 to \$5.4 billion in 2021.
- During this five-year period, **New York City lost over \$18.6 billion** in tax abatements, including tax breaks for projects that used solar power, rehabilitated residential and commercial structures, and a 100% property tax reduction for the professional sports arena in Madison Square Garden.
- **Revenue losses for the City of Rochester increased the most (1,244%)**, mostly due to workforce programs and low-income housing tax abatement programs.
- **Monroe County's revenue losses increased by 69%**, including over 300 PILOT agreements.
- **Nassau County's revenue losses increased by 61%**, including several PILOT agreements entered into by Nassau County Industrial Development Agency, the Town of Hempstead Industrial Development, and the Glen Cove Industrial Development Agency.

Again: these findings are only from a handful of New York cities and counties. The state has a total of 992 cities and towns and 62 counties.

***Note: School district data are excluded.** New York's five largest school districts do not issue separate financial reports because they are component units of cities.*

For more information about these abatements, see taxbreaktracker.goodjobsfirst.org.
For company-specific information, see subsidytracker.goodjobsfirst.org.