

## 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 Alaska's five most populous cities, counties, and school districts and the state itself, where available.

Between fiscal years 2017 and 2021, the state of Alaska and its five largest cities, counties, and school districts **lost \$16.5 million due to economic development tax abatements**. The tables below list only the five most populous cities, counties, and school districts, of which only two jurisdictions disclosed any revenue loss to tax abatements. The true statewide total is presumably much higher.

Foregone Tax Revenue, Five Most Populous School Districts in Alaska					
	2017	2018	2019	2020	2021
<b>Anchorage School District</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Matanuska-Susitna Borough School District</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Fairbanks North Star Borough School District</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Galena City School District</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Kenai Peninsula Borough School District</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Annual Total	Unknown	Unknown	Unknown	Unknown	Unknown
<b>Selected School Districts Five-Year Total: Unknown</b>					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

Foregone Tax Revenue, Five Most Populous Cities, Counties, and State of Alaska					
	2017	2018	2019	2020	2021
City of Fairbanks	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
City of Wasilla	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
City and Borough of Juneau	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
City and Borough of Sitka	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Municipality of Anchorage	No Disclosure	No Disclosure	No Disclosure	\$7,550,088	\$7,182,994
Matanuska-Susitna Borough	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Fairbanks North Star Borough	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Ketchikan Gateway Borough	\$404,965	\$333,697	\$337,124	\$375,046	\$387,077
Kodiak Island Borough	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Kenai Peninsula Borough	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
State of Alaska	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Annual Total	\$404,965	\$333,697	\$337,124	\$7,925,134	\$7,570,071
<b>Selected Cities, Counties, and State Five-Year Total: \$16,570,991</b>					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

During this five-year period only two jurisdictions reported tax abatements: the Municipality of Anchorage and the Ketchikan Gateway Borough.

**Key findings:**

- **Between 2017 and 2021, 89% of the total revenue loss was due to abatements agreements made by the Municipality of Anchorage.** Anchorage only reported tax abatements in two years (2020 and 2021), totaling \$14.7 million. All of this revenue loss was due to an agreement with Span Alaska to exempt property taxes for a new cross-docking facility.
- **During this five-year period, the Ketchikan Gateway Borough lost \$1.8 million to tax abatements.** The majority of these losses (83%) were due to property tax exemptions for a shipyard. The remaining 17% of abatements were for low-income housing development.
- **Neither the state nor any of the five most populous school districts report tax abatement losses,** though they do use GAAP.

Again: these findings are only from two Alaska jurisdictions. The state has a total of 144 municipalities, 19 boroughs, and 53 school districts.

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For more information about these abatements, see [taxbreaktracker.goodjobsfirst.org](https://taxbreaktracker.goodjobsfirst.org).  
 For company-specific information, see [subsidytracker.goodjobsfirst.org](https://subsidytracker.goodjobsfirst.org).