

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 Georgia.

Between the fiscal years 2017 and 2021, the State of Georgia and its five largest cities, counties, and school districts **lost over \$294 million** due to economic development tax breaks. The tables below represent **only** the five most populous cities, counties, and school districts. Despite having costly tax abatement programs, the State of Georgia itself does not report any tax breaks. Also, one large school district and one county fail to report abatement spending.

So for many reasons, the actual statewide total is presumably much higher. Still, the known spending trend is up sharply: over the five years, total annual reported revenue losses grew from \$41 million to \$73 million— a jump of 77%.

Foregone Tax Revenue, Five Most Populous School Districts in Georgia

	2017	2018	2019	2020	2021
Clayton County Schools	\$0	\$0	\$0	\$0	\$0
Cobb County Schools	\$738,574	\$1,859,837	\$2,362,087	\$3,052,590	\$3,208,667
DeKalb County Schools	\$5,822,806	\$3,829,492	\$3,920,187	\$18,383,191	\$11,144,845
Gwinnett County Public Schools	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Fulton County Schools	\$3,980,993	\$4,832,479	\$6,184,622	\$6,698,501	\$6,379,325
Annual Total	\$10,542,373	\$10,521,808	\$12,466,896	\$28,134,282	\$20,732,837

Selected School Districts Five-Year Total: \$82,398,196

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

Georgia has very poor transparency around subsidies. In a Good Jobs First 51-state “report card” study on state disclosure of company-specific incentive awards published in 2022, Georgia ranked

Foregone Tax Revenue, Five Most Populous Cities, Counties and State of Georgia					
	2017	2018	2019	2020	2021
City of Atlanta	\$3,284,000	\$4,523,000	\$6,600,098	\$8,017,761	\$8,073,765
City of Augusta	\$4,611,920	\$4,477,217	\$11,077,878	\$5,453,028	\$11,205,155
City of Columbus	\$9,056,998	\$8,857,494	\$9,118,106	\$8,198,170	\$7,238,364
City of Savannah	\$230,427	\$240,016	\$208,039	\$165,264	\$233,760
City of Athens-Clarke County	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Cobb County	\$1,301,853	\$1,615,517	\$2,326,556	\$3,268,051	\$3,992,903
DeKalb County	\$3,784,177	\$4,058,126	\$4,691,848	\$6,566,325	\$7,793,207
Fulton County	\$8,261,000	\$11,121,000	\$12,911,000	\$12,091,000	\$12,773,000
Gwinnett County	\$517,263	\$1,158,229	\$648,421	\$1,187,678	\$1,511,113
Clayton County	\$0	\$0	\$0	\$0	\$0
State of Georgia	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Annual Total	\$31,047,638	\$36,050,599	\$47,581,946	\$44,923,720	\$52,821,267
Selected Cities, Counties, and State Five-Year Total: \$212,425,170					
Selected School Districts, Cities, Counties, and State 5-Year Total Foregone Revenue: \$294,823,366					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

lowest, with a score of 0 out of 100. While the State fails to disclose tax abatements under GASB 77, we know that Georgia spends almost \$1 billion annually on film-production subsidies *alone*.

For the local jurisdictions that do disclose, some increased the amount of forgone tax revenue from economic development tax abatements significantly between 2017 and 2021. And laudably, some localities name specific tax-break *recipients*, even though that is not technically required.

Key findings:

- **From 2017 to 2021, the Cobb County School District's revenue losses grew proportionately the most, increasing 334%** — from \$738,574 to \$3,208,667.
 - 93% (\$3,107,341) of these losses went to tax breaks for Home Depot.
 - All of the district's losses are passive — i.e., taxes abated by other jurisdictions.
- Revenue losses for **Cobb County increased by 207%**, of which 41% (\$5.1 million) went to tax breaks for Home Depot.
- **The City of Atlanta, City of Augusta, Cobb County, DeKalb County, Gwinnett County, and the Cobb County School District all suffered increased revenue losses of more than 100%.**
- **The largest revenue losses on local level are due to controversial bond-lease agreements.** In bond-lease agreements, public development authorities issue tax-exempt

bonds to acquire facilities that are then leased to private companies. This makes the facilities property tax-exempt.

Again: these findings are only from a handful of Georgia cities, counties, and school districts. The state has 629 municipalities, 159 counties, and 181 school districts.

For more information about these abatements, see taxbreaktracker.goodjobsfirst.org.

For company-specific information, see subsidytracker.goodjobsfirst.org.