

## 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 Kansas’ five most populous cities, counties, and school districts and the state itself, where available.

Between fiscal years 2017 and 2021, the state of Kansas and its five largest cities, counties, and school districts **lost more than \$845 million** due to economic development tax breaks. For context, that’s about three-fourths of what the entire state spent on public health and the environment in 2021. The tables below list **only** the five most populous cities, counties, school districts, and the state itself. The true statewide total is presumably much higher.

Foregone Tax Revenue, Five Most Populous School Districts in Kansas					
	2017	2018	2019	2020	2021
<b>Wichita Public Schools</b>	\$3,737,596	\$4,563,375	\$4,441,159	\$6,861,597	\$6,562,695
<b>Olathe Public Schools</b>	\$1,965,653	\$1,664,348	\$1,752,230	\$3,582,799	\$3,851,935
<b>Shawnee Mission School District</b>	\$5,304,774	\$5,114,041	\$5,649,729	\$6,842,581	\$8,179,564
<b>Blue Valley Unified School District</b>	\$1,637,875	\$1,485,544	\$1,209,720	\$1,142,240	\$1,256,184
<b>Kansas City Public Schools</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Annual Total</b>	\$12,645,898	\$12,827,308	\$13,052,838	\$18,429,217	\$19,850,378
<b>Selected School Districts Five-Year Total: \$76,805,639</b>					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

Foregone Tax Revenue, Five Most Populous Cities, Counties, and State of Kansas					
	2017	2018	2019	2020	2021
<b>City of Wichita</b>	\$5,288,500	\$5,755,544	\$6,669,205	\$7,703,000	\$7,485,000
<b>City of Overland Park</b>	\$1,830,874	\$2,462,373	\$1,763,512	\$2,031,015	\$1,917,098
<b>Kansas City</b>	\$2,007,038	\$1,982,371	\$3,338,339	\$3,693,819	\$3,348,081
<b>City of Olathe</b>	\$6,275,418	\$5,955,092	\$8,922,452	\$5,797,714	\$5,748,735
<b>City of Topeka</b>	\$2,726,297	\$7,188,336	\$3,417,414	\$4,137,488	\$4,167,856
<b>Johnson County</b>	\$2,682,990	\$4,371,262	\$5,061,375	\$5,973,972	\$6,417,874
<b>Sedgwick County</b>	\$4,795,292	\$4,868,675	\$4,598,139	\$6,900,958	\$3,771,305
<b>Shawnee County</b>	\$3,405,550	\$3,446,664	\$4,255,473	\$4,347,731	\$4,406,666
<b>Wyandotte County</b>	\$2,715,955	\$2,786,547	\$4,283,561	\$4,568,069	\$4,825,667
<b>Douglas County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>State of Kansas</b>	\$8,792,982	\$158,360,000	\$137,400,000	\$58,900,000	\$205,600,000
<b>Annual Total</b>	\$40,520,896	\$197,176,864	\$179,709,470	\$104,053,766	\$247,688,282
<b>Selected Cities, Counties, and State Five-Year Total: \$769,149,278</b>					
<b>Selected School Districts, Cities, Counties, and State 5-Year Total Foregone Revenue: \$845,954,917</b>					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

During this five-year period, Kansas and its reporting jurisdictions lost an average of \$169 million every year due to economic development tax breaks. Some of these abatements are in the form of Tax Increment Financing (TIF) agreements, which capture the increase in property taxes (and sometimes other taxes) resulting from new development and divert that revenue to subsidize the development. Others are due to Industrial Revenue Bonds (IRBs), which reduce the cost of borrowing money by making interest on bonds tax-free.

#### Key findings:

- From 2017 through 2021: **The Shawnee Mission Unified School District** lost \$31 million, over \$1,000 per student, during the five-year period. All these losses were passive — i.e., taxes abated by other jurisdictions. Eight different city governments abate the school district's revenue.
- **The Olathe Unified School District's revenue loss increased by 96%**, from \$2.0 million in 2017 to \$3.9 million in 2021, largely due to TIF agreements.
- **The State of Kansas' revenue loss ballooned by 2,238%** — increasing from \$8.8 million in 2017 to \$205.6 million in 2021 — due to a rise in IRB and other tax breaks with county governments and a significant increase in Sales Tax and Revenue (STAR) bonds, which allow localities to use sales tax revenue to pay back bonds used for development projects.

Again: these findings are only from a handful of Kansas cities, counties, and school districts. The state has a total of 626 municipalities, 105 counties, and 287 school districts.

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).