

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, parishes, and school districts (where available) and the state itself in Louisiana.

Between fiscal years 2017 and 2021, the state of Louisiana and its five largest cities, parishes, and school districts **lost over \$2.8 billion** due to economic development tax breaks – more than the state spent on transportation, corrections, youth development, and agriculture combined in 2021 (\$2.7 billion). The tables below represent **only** the five most populous cities, parishes, school districts, and the state itself. The statewide total is presumably much higher. Over the five years reported revenue losses fluctuated slightly, with an average annual loss of \$574 million.

Foregone Tax Revenue, Five Most Populous School Districts in Louisiana					
	2017	2018	2019	2020	2021
Calcasieu Public Schools	\$45,355,000	\$12,845,000	\$10,890,000	\$10,890,000	\$23,089,017
Caddo Parish Public Schools	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
East Baton Rouge Parish Schools	\$17,550,000	\$16,900,000	\$14,877,000	\$14,659,985	\$13,915,826
Jefferson Parish Schools	No Disclosure	\$3,050,759	\$2,382,830	\$3,071,169	\$2,332,672
St. Tammany Parish Schools	\$1,039,100	\$1,689,005	\$556,087	\$1,629,536	\$455,332
Annual Total	\$63,944,100	\$34,484,764	\$28,705,917	\$30,250,690	\$39,792,847
Selected School Districts Five-Year Total: \$197,178,318					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

Foregone Tax Revenue, Five Most Populous Cities, Parishes, and State of Louisiana					
	2017	2018	2019	2020	2021
City of Baton Rouge/East Baton Rouge Parish	\$14,421,697	\$13,837,220	\$11,368,083	\$10,283,330	\$8,782,075
City of Lafayette/Lafayette Parish	\$2,136,130	\$2,136,130	\$1,681,157	\$1,514,754	\$1,431,801
City of New Orleans/Orleans Parish	\$8,534,000	\$8,815,000	\$14,173,000	\$16,315,000	\$10,905,000
City of Shreveport	\$2,283,142	\$3,810,562	\$1,966,917	\$1,273,750	\$401,075
City of Lake Charles	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Caddo Parish	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Calcasieu Parish	\$13,505,967	\$10,860,378	\$14,416,766	\$23,562,654	\$36,209,687
Jefferson Parish	\$10,272,909	\$7,877,018	\$7,585,195	\$6,423,843	\$11,512,560
Ouachita Parish	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
St. Tammany Parish	\$484,900	\$168,484	\$540,553	\$452,006	\$139,426
State of Louisiana	\$497,778,341	\$476,141,323	\$507,394,212	\$493,604,653	\$417,980,914
Annual Total	\$613,361,456	\$558,130,879	\$587,831,800	\$583,680,680	\$527,155,385
Selected Cities, Parishes, and State Five-Year Total: \$2,672,981,882					
Selected School Districts, Cities, Parishes, and State 5-Year Total Foregone Revenue: \$2,870,160,200					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

During this five-year period, some jurisdictions — such as Calcasieu Parish — suffered sharply higher losses over time. Many such costs are caused by the state’s controversial Industrial Tax Exemption Program (ITEP). As well, some localities enjoyed smaller losses over time, and those often reflect reforms made to ITEP via a 2016 executive order by Gov. John Bel Edwards. Those reforms narrow ITEP’s use and restore some local-government control over revenue losses.

Key findings:

- **Industrial Tax Exemption Program (ITEP) losses totaled \$366 million** for Louisiana, and its five most populous cities, parishes, and school districts over the five-year period. ITEP losses account for 77% of all tax abatements at the local level.
- From 2017 to 2021, revenue losses for **Calcasieu Parish’s revenue losses increased by 168% and Jefferson Parish by 12% — all due to ITEP agreements. Calcasieu Parish School District lost the most revenue because of these agreements, over \$103 million over the five-year period.**

Again: these findings are only from a handful of Louisiana’s cities, parishes, and school districts. Louisiana has a total of 304 municipalities, 64 parishes, and 70 school districts. Tax abatements

are underreported: property tax assessment records show more industrial property is off the rolls than state development agency records show has been exempted.

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

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