

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

Between fiscal years 2017 and 2021, the state of Maine and its five largest cities (that report) **lost more than \$176 million** due to economic development tax breaks. For context, that's more than the State of Maine's 2021 general fund spending on natural resources, arts and culture, and transportation combined (\$80 million). The table above lists **only** the five most populous cities and counties, and the state itself — most of which do not disclose tax abatements. The true statewide total is presumably much higher.

**Foregone Tax Revenue, Five Most Populous Cities, Counties, and State of Maine**

	2017	2018	2019	2020	2021
<b>City of Portland</b>	\$2,085,290	\$2,727,755	\$3,231,104	\$4,063,703	\$5,189,754
<b>City of Lewiston</b>	\$1,774,889	\$1,748,911	\$1,046,326	\$1,099,805	\$1,096,425
<b>City of Bangor</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>City of South Portland</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>City of Auburn</b>	\$966,458	\$1,130,735	\$1,237,100	\$1,069,288	\$508,560
<b>Cumberland County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>York County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Penobscot County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Kennebec County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Androscoggin County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>State of Maine</b>	\$30,933,455	\$31,552,645	\$31,588,890	\$28,916,475	\$24,980,681

Annual Total	\$35,760,092	\$37,160,046	\$37,103,420	\$35,149,271	\$31,775,420
<b>Selected Cities, Counties, and State Five-Year Total: \$176,948,249</b>					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

All five of the most populous counties in the state do not disclose tax abatements, though they are required by state law to do so. In Maine, only regionalized school districts have independent financial reporting. Local school district financials are bundled with the towns' financials so it's not possible to analyze abatements to the districts.

During this five-year period, Maine and its reporting jurisdictions lost an average of \$34 million every year due to economic development tax breaks. Nearly all 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.

**Key findings:**

- **The City of Lewiston reported over \$6.7 million in revenue** loss due to TIF.
- **The State of Maine lost a total of \$148 million**, largely due to TIF (\$65 million) and the New Markets Capital Investment Tax Credit program (\$67 million), which provides a 39% refundable tax credit over seven years for investors who make qualified investments in low-income community businesses. Maine's [Office of Program Evaluation and Government Accountability](#) found that the program fails to achieve two main goals: preserving jobs and promoting economic development.

Again: these findings are only from a handful of Maine cities and counties and the state itself. The state has a total of 483 municipalities, 16 counties, and 121 school districts.

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