

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 Mississippi.

Between fiscal years 2017 and 2021, the state of Mississippi and its five largest cities and counties **lost over \$355 million** due to economic development tax breaks. For context, that’s 36% of what the entire state spent on transportation in 2021 alone. The tables below list **only** the five most populous cities and counties and the state itself. The true statewide total is presumably much higher.

Foregone Tax Revenue, Five Most Populous Cities, Counties and State of Mississippi					
	2017	2018	2019	2020	2021
City of Jackson	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
City of Gulfport	\$421,092	\$566,897	\$614,040	\$594,938	\$563,899
City of Southaven	\$517,462	\$549,478	\$484,498	\$484,498	\$476,476
City of Biloxi	No Disclosure	No Disclosure	No Disclosure	No Disclosure	\$366,737
City of Hattiesburg	\$1,804,221	\$1,506,550	\$1,383,422	\$1,542,049	\$1,320,837
Hinds County	\$241,995	\$199,408	\$167,425	N/A	N/A
Harrison County	\$2,967,802	\$2,740,661	\$2,459,794	\$2,612,837	\$3,280,352
DeSoto County	\$3,573,217	\$4,393,123	\$8,758,394	\$8,579,158	\$10,327,908
Rankin County	No Disclosure	\$1,128,695	\$1,109,106	\$1,032,906	\$1,517,576
Jackson County	\$20,502,995	\$20,502,995	\$19,644,435	\$19,079,514	\$26,960,188
State of Mississippi	\$49,200,000	\$36,204,000	\$31,248,000	\$29,845,000	\$34,266,000
Annual Total	\$79,228,784	\$67,791,807	\$65,869,114	\$63,770,900	\$79,079,973
Selected Cities, Counties, and State Five-Year Total: \$355,740,578					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions. N/A indicates financial report is not yet publicly available.

During this five-year period, Mississippi and its reporting jurisdictions lost an average of \$71.1 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.

Key findings:

- From 2017 through 2021 **DeSoto County's revenue losses to tax abatements ballooned by 189%**, from \$3.6 million in 2017 to \$10.3 million in 2021. These losses are largely due to increases in the county's tax exemptions for new businesses in specific industries (such as technology, data, and tourism), as well as tax breaks for companies providing capital investment in the county, and some TIF agreements.
- During this five-year period **the City of Gulf Port's revenue loss increased 34%**, from \$421,000 in 2017 to \$564,000 in 2021 million. These losses were largely due to property tax breaks for businesses.
- From 2018 through 2021 **Rankin County's losses also grew 34%**, from \$1.1 million in 2018 to \$1.5 million in 2021. This growth is only over four years, as the county did not disclose tax abatements in 2017. The revenue lost went to tax breaks for various unnamed companies including a recycling company, a communications company, medical supply companies, manufacturing companies, and an electric power association company.
- **Harrison County lost almost \$14.1 million to tax abatements between 2017 and 2021.** The majority (52%) due to TIF, including agreements with Margaritaville and Wal-Mart.

Again: these findings are only from a handful of Mississippi cities and counties. The state has a total of 298 municipalities and 82 counties.

Note: School district data are excluded because the state shields schools from all forms of tax abatements

For more information about these abatements, see taxbreaktracker.goodjobsfirst.org.
For company-specific information, see subsidytracker.goodjobsfirst.org.