

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 Nevada.

Between fiscal years 2017 and 2021, the state of Nevada and its five largest cities, counties, and school districts **lost more than \$474 million** due to economic development tax breaks. The tables below list **only** the five most populous cities, counties, school districts, and the state itself; however, among this group, only six of the 16 entities disclosed any revenue lost to tax breaks. The true statewide total is presumably much higher.

Foregone Tax Revenue, Five Most Populous School Districts in Illinois					
	2017	2018	2019	2020	2021
Clark County School District	\$11,640,848	\$7,486,245	\$9,021,492	\$11,168,215	\$12,374,988
Washoe County School District	\$9,566,157	\$6,936,337	\$6,573,349	\$5,837,653	\$12,329,899
Lyon County School District	\$549,370	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Elko County School District	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Carson City County School District	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Annual Total	\$21,756,375	\$14,422,582	\$15,594,841	\$17,005,868	\$24,704,887
Selected School Districts Five-Year Total: \$93,484,553					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

Foregone Tax Revenue, Five Most Populous Cities, Counties and State of Illinois					
	2017	2018	2019	2020	2021
City of Henderson	\$4,927,784	\$5,341,052	\$7,633,133	\$9,226,468	\$10,033,576
City of Las Vegas	\$3,228,757	\$1,814,069	\$2,239,734	\$2,626,178	\$3,158,676
City of North Las Vegas	\$592,392	\$335,452	\$531,036	\$671,813	\$803,380
City of Reno	\$4,271,111	\$1,809,403	\$1,780,753	\$1,727,673	\$3,619,593
City of Sparks	\$1,004,777	\$729,403	\$747,710	\$684,559	\$1,434,199
Clark County	\$4,111,501	\$2,310,669	\$3,057,228	\$3,829,023	\$4,591,808
Washoe County	\$4,232,685	\$6,844,326	\$6,506,451	\$6,022,789	\$12,617,032
Lyon County	\$452,433	\$52,026	\$342,987	\$106,873	\$39,404
Carson City	\$151,372	\$317,034	\$381,153	\$569,844	\$549,762
Elko County	\$404,952	\$397,833	\$426,815	\$514,647	\$516,138
State of Nevada	\$47,095,000	\$84,911,000	\$60,028,000	\$32,765,000	\$26,085,000
Annual Total	\$70,472,764	\$104,862,267	\$83,675,000	\$58,744,867	\$63,448,568
Selected Cities, Counties, and State Five-Year Total: \$381,203,466					
Selected School Districts, Cities, Counties, and State 5-Year Total Foregone Revenue: \$474,688,019					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

During this five-year period, Nevada and its reporting jurisdictions lost an average of \$94.9 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: **The City of Henderson** lost \$37 million, with a revenue loss increase of 103%.
- **Washoe County's revenue loss increased by 198%**, from \$4.2 million in 2017 to \$12.6 million in 2021, largely due to standard agreements and renewable energy credits.
- **The State of Nevada more than \$250 million in abatements**, \$3 million of which was spent on abatements for data centers, and \$2.7 million on energy sector abatement agreements.

Again: these findings are only from a handful of Nevada cities, counties, and school districts. The state has a total of 19 municipalities, 17 counties, and 17 school districts.

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

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