

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 Oklahoma.

Between fiscal years 2017 and 2021, Oklahoma’s five largest cities, counties, and school districts **lost over \$741 million** due to economic development tax breaks – more than what the State spent on natural resources and transportation combined (\$729 million) in 2021 alone. The tables below represent **only** the five most populous cities, counties, school districts, and the state itself. The actual statewide total is presumably much higher.

Foregone Tax Revenue, Five Most Populous School Districts in Oklahoma					
	2017	2018	2019	2020	2021
Tulsa Public Schools	\$476,216	\$144,400	\$4,700,000	\$4,600,000	\$6,000,000
Oklahoma City Public Schools	\$1,100,000	\$1,782,000	\$1,805,000	\$1,840,000	\$1,894,000
Edmond Public Schools	\$2,444,188	\$2,444,188	\$2,799,327	\$2,778,889	\$3,029,349
Moore Public Schools	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Broken Arrow Public Schools	\$7,247,797	\$2,456,859	\$486,245	\$107,864	\$120,553
Annual Total	\$11,268,201	\$6,827,447	\$9,790,572	\$9,326,753	\$11,043,902
Selected School Districts Five-Year Total: \$48,256,875					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

Foregone Tax Revenue, Five Most Populous Cities and Counties in Oklahoma					
	2017	2018	2019	2020	2021
Oklahoma City	\$2,857,000	\$4,060,000	\$4,220,000	\$4,803,000	\$5,193,000
City of Tulsa	\$501,000	\$579,000	\$1,065,000	\$946,000	\$461,000
City of Norman	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
City of Broken Arrow	\$35,490	\$85,612	\$81,341	\$91,243	\$114,164
City of Edmond	\$0	\$0	\$102,916	\$97,863	\$150,981
Oklahoma County	(\$68,250)	\$99,501	\$31,056	\$109,727	(\$333,590)
Tulsa County	\$960,078	\$1,133,573	\$1,267,718	\$1,495,231	\$1,574,836
Cleveland County	\$36,876	\$13,327	\$23,395	N/A	N/A
Canadian County	\$854,148	\$1,052,954	\$1,827,916	\$344,109	\$239,403
Comanche County	\$328,813	\$205,851	\$310,428	No Disclosure	No Disclosure
State of Oklahoma	\$151,757,000	\$117,132,000	\$142,825,000	\$121,253,000	\$123,427,000
Annual Total	\$157,262,155	\$124,361,818	\$151,754,770	\$129,140,173	\$130,826,794
Selected Cities, Counties, and State Five-Year Total: \$693,345,710					
Selected School Districts, Cities, Counties, and State 5-Year Total Foregone Revenue: \$741,602,585					

Source: Annual Comprehensive Financial Reports (ACFRs) for the reported jurisdictions. Note: Amounts in parentheses represent revenue gains due to FLOLOT payments exceeding tax abatements. N/A = ACFR not yet available.

During this five-year period some jurisdictions increased the amount of foregone tax revenue from economic development tax abatements significantly. Many are a result of the State of Oklahoma's Ad Valorem Exemption for Manufacturing program. Under this program, abatements are approved and provided by the county assessor where the facility is located and if approved, the state reimburses the county for the amount of abated taxes for up to five years.

Key findings:

- **From 2017 to 2021, the City of Broken Arrow's revenue losses grew the most, increasing 222%** — from \$35,490 to \$114,164. All of these losses were passive; in this case, the state diverted the revenue through its manufacturing tax abatement program.
- **Revenue losses for the Tulsa Public School District increased by 1,160%** from \$476,216 in 2017 to \$6,00,000 in 2021, largely due to the state's manufacturing tax abatement program.
- **From 2017 to 2021, Oklahoma City lost the most, over \$21 million** (an increase of 82%). The majority of these losses were due to Tax Increment Financing (TIF) deals.

~~Again, these findings are only from 15 Oklahoma cities, counties, and school districts. The state has 835 municipalities, 77 counties, and 509 school districts.~~

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