

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 South Carolina.

Between fiscal years 2017 and 2021, South Carolina's five largest cities, counties, and school districts **lost over \$897 million** due to economic development tax breaks. The tables below represent **only** the five most populous cities, counties, and school districts. The actual statewide total is presumably much higher.

Foregone Tax Revenue, Five Most Populous School Districts in South Carolina					
	2017	2018	2019	2020	2021
Berkeley County School District	\$43,552,509	\$42,311,082	\$54,021,717	\$79,548,667	\$83,943,706
Charleston County School District	\$25,347,694	\$30,297,939	\$32,250,847	\$32,474,121	\$25,569,000
Greenville County School District	\$30,422,000	\$37,542,000	\$41,342,000	\$44,010,000	\$43,168,000
Horry School District	\$493,414	\$502,846	\$472,921	\$415,947	\$368,131
Richland School District #2	\$9,002,747	\$9,965,699	\$9,533,129	\$10,695,404	\$11,934,072
Annual Total	\$108,818,364	\$120,619,566	\$137,620,614	\$167,144,139	\$164,982,909
Selected School Districts Five-Year Total: \$699,185,158					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

Many of these losses result from Fee In Lieu of Payment (FILOT) agreements that abate companies' property taxes — for as long as 40 years. FILOT agreements often trigger additional subsidies such as the Special Source Revenue Credit (SSRC) and the Multi-County Industrial Park (MCIP) program, which allow companies to access larger state income tax credits.

Foregone Tax Revenue, Five Most Populous Cities and Counties in South Carolina

	2017	2018	2019	2020	2021
City of Charleston	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
City of Columbia	(\$503,860)	(\$272,162)	(\$5,106,615)	(\$425,358)	(\$663,936)
City of North Charleston	\$14,480,000	\$15,777,000	\$17,794,088	\$15,777,000	\$11,666,000
City of Mount Pleasant	No Disclosure	\$22,000	\$36,000	\$54,000	\$23,000
City of Rock Hill	\$5,999,657	\$3,621,353	\$1,776,506	\$2,044,003	\$682,979
Greenville County	\$8,536,000	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Charleston County	\$2,199,000	\$3,061,712	\$3,742,719	\$3,651,316	\$2,534,555
Richland County	\$2,795,058	(\$4,350,727)	(\$5,106,615)	(\$5,472,420)	(\$5,163,332)
Horry County	\$190,270	\$177,568	\$170,444	\$214,183	\$219,761
Spartanburg County	\$16,344,440	\$20,584,198	\$23,200,965	\$25,377,515	\$22,516,646
State of South Carolina	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Annual Total	\$50,040,475	\$38,620,942	\$36,507,492	\$41,220,239	\$31,815,673

Selected Cities, Counties, and State Five-Year Total: \$198,204,821

Selected School Districts, Cities, Counties, and State 5-Year Total Foregone Revenue: \$897,390,413

Source: Annual Comprehensive Financial Reports for the reported jurisdictions. Note: Amounts in parentheses represent revenue gains due to FILOT payments exceeding tax abatements.

The spending trend is up sharply: over the five years, total annual reported revenue losses grew from \$158,858,839 to \$196,798,518 — a jump of 24%. While the trend over time among cities and counties was mixed — and some failed to disclose — losses suffered by the five biggest school districts rose by 52%.

Key findings:

- The State of South Carolina does not provide any GASB 77 disclosures, despite having several “megadeals” (individual subsidy deals of \$50 million or more), such as packages given to the [Carolina Panthers, Volvo, Amazon, and BMW](#).
- **From 2017 to 2021, the Berkeley County School District’s revenue losses grew proportionately the most, increasing 93%** — from \$43,522,509 to \$83,943,706. All of these losses were due to FILOT, SSRC, and MCIP agreements. The county is home to Google data centers, a Volvo auto-assembly plant, and other large corporations.
- **Revenue losses for the Greenville County School District increased by 42%** due to FILOT and SSRC agreements. The county is home to General Electric, Lockheed Martin, and Michelin manufacturing plants.
- **From 2017 to 2021, Spartanburg County lost over \$108 million** (with a four-year increase of 38%) – all due to FILOT and SSRC agreements.

Again: these findings are only for a handful of South Carolina cities, counties, and school districts. The state has 271 municipalities, 46 counties, and 74 school districts.

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