

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

Between fiscal years 2017 and 2021, the state of Wisconsin and its five largest cities, counties, and school districts **lost \$672 million due to economic development tax abatements**. For context, the State of Wisconsin spent \$702 million on SNAP in 2021. The tables below list only the five most populous cities, counties, and school districts, of which only four jurisdictions disclosed any revenue loss to tax abatements. The true statewide total is presumably much higher.

Foregone Tax Revenue, Five Most Populous School Districts in Wisconsin					
	2017	2018	2019	2020	2021
<b>Milwaukee Public Schools</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Madison Metropolitan School District</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Kenosha School District</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Green Bay Area School District</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Racine Unified School District</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
Annual Total	Unknown	Unknown	Unknown	Unknown	Unknown
<b>Selected School Districts Five-Year Total: Unknown</b>					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

Foregone Tax Revenue, Five Most Populous Cities, Counties, and State of Wisconsin					
	2017	2018	2019	2020	2021
<b>City of Milwaukee</b>	\$2,582,000	\$8,709,000	\$6,787,000	\$6,943,000	\$7,011,000
<b>City of Madison</b>	\$2,691,586	\$3,808,921	\$4,605,461	\$6,661,647	\$6,355,320
<b>City of Green Bay</b>	\$190,860	\$190,114	\$195,333	\$499,750	\$652,029
<b>City of Kenosha</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>City of Racine</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Milwaukee County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Dane County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Waukesha County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Brown County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>Racine County</b>	No Disclosure	No Disclosure	No Disclosure	No Disclosure	No Disclosure
<b>State of Wisconsin</b>	\$78,200,000	\$106,900,000	\$130,400,000	\$141,900,000	\$157,000,000
Annual Total	\$83,664,446	\$119,608,035	\$141,987,794	\$156,004,397	\$171,018,349
<b>Selected Cities, Counties, and State Five-Year Total: \$672,283,021</b>					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

During this five-year period, all four of the jurisdictions reporting tax abatements increased the amount of foregone tax revenue from economic development tax abatements by over 100%. All abatements at the local level were due to 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:**

- **Between 2017 and 2021 the City of Green Bay’s losses increased by 241%**, from \$190,860 in 2017 to \$652,029 in 2021. All these losses were due to various TIF agreements.
- **During this period, the City of Milwaukee’s revenue losses increased 172%**, from \$2.6 million in 2017 to \$7.0 million in 2021, all due to TIF.
- **The State of Wisconsin lost over \$614 million.** Nearly half (48%) of these losses were due to Enterprise Zone agreements, which provide tax breaks to business owners in geographically designated areas.

Again: these findings are only from a handful of Wisconsin cities, counties, and school districts. The state has a total of 595 municipalities, 72 counties, and 421 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).