

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

Between fiscal years 2017 and 2021, the State of Oregon and its five largest cities, counties, and school districts **lost over \$1.3 billion** due to economic development tax breaks. For context, that’s about five times the amount the state spent on education in 2021 alone (\$256 million). 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 Oregon					
	2017	2018	2019	2020	2021
<b>Portland Public Schools</b>	\$11,756,000	\$12,602,000	\$13,535,000	\$13,347,000	\$13,882,000
<b>Salem-Keizer School District</b>	\$452,531	\$506,118	\$749,397	\$891,418	\$1,264,405
<b>Beaverton School District</b>	\$310,000	\$317,000	\$349,000	\$730,000	\$872,000
<b>Hillsboro School District</b>	\$96,718,000	\$105,080,000	\$72,900,000	\$73,788,000	\$93,435,000
<b>Bend-La Pine School District</b>	No Disclosure	\$640,939	\$765,682	\$792,618	\$974,776
Annual Total	\$109,236,531	\$119,146,057	\$88,299,079	\$89,549,036	\$110,428,181
<b>Selected School Districts Five-Year Total: \$516,658,884</b>					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

Foregone Tax Revenue, Five Most Populous Cities, Counties, and State of Oregon					
	2017	2018	2019	2020	2021
City of Portland	\$7,087,489	\$11,576,496	\$12,194,139	\$12,222,857	\$13,601,087
City of Eugene	\$2,001,058	\$1,551,651	\$1,578,172	\$1,961,276	\$1,672,420
City of Salem	\$602,824	\$675,022	\$842,143	\$1,020,776	\$1,273,302
City of Gresham	\$511,222	\$99,889	\$193,900	(\$280,850)	(\$71,197)
City of Hillsboro	\$70,002,000	\$79,688,000	\$55,358,000	\$56,463,000	\$72,134,000
Multnomah County	\$6,027,000	\$7,849,000	\$8,323,000	\$8,921,000	\$21,548,000
Washington County	\$40,046,000	\$43,772,000	\$30,486,000	\$30,925,000	\$38,869,000
Clackamas County	\$243,938	\$205,353	\$315,236	\$300,906	\$232,580
Lane County	\$465,296	\$618,259	\$726,492	\$804,346	\$927,502
Marion County	\$276,177	\$298,700	\$339,587	\$427,383	\$528,426
State of Oregon	\$65,400,000	\$40,100,000	\$29,000,000	\$16,900,000	\$7,700,000
Annual Total	\$192,663,004	\$186,434,370	\$139,356,669	\$129,665,694	\$158,415,120
<b>Selected Cities, Counties, and State Five-Year Total: \$806,534,857</b>					
<b>Selected School Districts, Cities, Counties, and State Five-Year Total Foregone Revenue: \$1,323,193,741</b>					

Source: Annual Comprehensive Financial Reports for the reported jurisdictions

During this five-year period, some jurisdictions increased the amount of foregone tax revenue from economic development tax abatements significantly. Many of these abatements were due to Enterprise Zones, geographic areas in which companies can qualify for a variety of state and local subsidies.

#### Key findings:

- **From 2017 to 2021, Multnomah County's revenue losses grew proportionately the most, increasing 258%** — from \$6.0 million in 2017 to \$21.5 million in 2021.
  - Most of these losses were passive losses due to abatement agreements entered into by other governments, such as low-income rental housing abatements (32%), Enterprise Zone agreements (29%), and historic property tax exemptions (25%).
- Revenue losses for **the Beaverton School District increased by 181%**, all of which were passive losses due to abatement agreements entered into by Washington County.
- **The City of Salem's revenue losses increased by 111%**, 60% of which was due to Enterprise Zone abatements from the city, county, and state.
- **During this five-year period, the Hillsboro School District lost \$442 million due to tax abatements**, more than its county (Washington County), its city (City of Hillsboro), and the state. The vast majority (95%) of these losses were passive losses due to the Strategic Investment Program which provides tax exemptions for businesses investing in the state.

Again: these findings are only from a handful of Oregon cities, counties, and school districts. The state has 242 municipalities, 36 counties, and 197 school districts.

For more information about these abatements, see [taxbreaktracker.goodjobsfirst.org](https://taxbreaktracker.goodjobsfirst.org).

For company-specific information, see [subsidytracker.goodjobsfirst.org](https://subsidytracker.goodjobsfirst.org).