PENNSYLVANIA 2018 GASB-77 DATA:
How much did KOZ and LERTA cost?

GASB-77, or Statement No. 77 of the generally accepted accounting principles, requires governments to disclose the amount of foregone tax revenue due to tax abatement programs.

*Updated: September 17, 2019*

**STATE**

In 2018, **ten programs** have led to reduction in state tax revenue:

1. Coal Refuse Energy and Reclamation Tax Credit
2. Education Tax Credit
3. Film Production Tax Credit
4. Keystone Innovation Zone (KIZ) Program
5. Keystone Opportunity Zone (KOZ) Program
6. Neighborhood Assistance Programs
7. Neighborhood Improvement Zone Program
8. Opportunity Scholarship Tax Credit
9. Resource Enhancement and Protection Tax Credit
10. Tax Credit for New Jobs

In total, **$411 million** was abated – the 5th **highest** among all the states.
**SCHOOL DISTRICTS**

In the fiscal year ending in 2018, **73 out of 446** sampled school districts included notes on tax abatement in accordance with GASB-77, which is an improvement from 2017 when 85 out of 770 in 2017 did.

**67 school districts** provided a dollar figure the amount of tax abated, including the eleven instances – where this number is zero. The total amount disclosed is $112,845,769 or approximately **$112.8 million**.

The most impactful programs are: Keystone Opportunity Zone (**KOZ**), Local Economic Revitalization Tax Assistance (**LERTA**), and Pennsylvania Clean and Green programs (**C&G**). Some localities have all three going on.

- 17 school districts are involved in/affected by KOZ and disclosed a total of $15,078,897 or approx. $15.1 million.
- 27 school districts have agreements as part of LERTA and disclosed a total of $8,004,436 or approx. $8.0 million.
- 11 school districts have agreements as part of C&G and disclosed a total of $18,741,395 or approx. $18.7 million.
- 8 school districts overlap with TIF districts which resulted in a total of $2,964,096 or approximately $3.0 million in foregone property tax revenue in 2017-2018.
- 4 school districts abated $123,987 in exchange for PILOT payments. Six others only reported the amount of PILOT payment but not the amount of tax abated.
- 10 school districts have other tax abatement agreements totaling $67,863,515 or approx. $67.9 million – the most popular one being the Homestead/Farmstead Tax Exemption program.

**CITIES/COUNTIES**

Out of the 16 CAFRs available on the Center for Municipal Finance website, only four general purpose governments have tax abatement disclosures per GASB 77. They are County of Blair, County of Westmoreland, County of Crawford, and County of Wayne.

- Blair County abated $39,832 as part of KOZ and $84,059 as part of LERTA.
- Westmoreland abated $346,137 for TIFs and $91,467 as part of LERTA.
- Crawford abated $15,365 as part of LERTA and $34,381 as part of KOZ.
- Wayne abated $2,341 as part of KOZ.

See also:

Pennsylvania [GASB-77 ROADMAP](#) (institutional schematic for enforcing GASB-77 compliance)
Pennsylvania ACCOUNTABLE USA profile (transparency scores, major subsidy deals, database entries, and much more)

Want to know about GASB-77 disclosure in your state? Contact Christine Wen chris@goodjobsfirst.org.