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State Comparison of Payments in Lieu of Taxes for 2020

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Almost one-third of total U.S. acreage is federal lands, with the largest percentage in the 13 Western states¹. Of the total federally administered acreage in 2020, approximately 93.29% was located in the 13 Western states. Because of the vast quantities of public lands in the West, the management of these public lands greatly impacts county economies and local government fiscal balances.

Since public lands are administered by the federal and/or state government, these lands are not subject to local government taxation. However, the U.S. Congress passed Public law 94-565 in 1976, which enacted the Payment in Lieu of Taxes (PILT) Program. The act has gone through several revisions since 1976. In 1982, it was amended and recorded as Chapter 69, 31 U.S.C. In 1983, it was amended to clarify the definition of “unit of general local government” and authorized state governments to redistribute payments to smaller units of government through legislation. The most recent change occurred following the passage of an act in 1994 that increased payments to each county. Due to its distinction as the largest federal land management agency, the Bureau of Land Management was chosen by the Secretary of the Interior to administer the PILT Program.

Although all 50 states plus the District of Columbia, Guam, the Virgin Islands and Puerto Rico are eligible to receive federal land-based payments, Western states receive the majority due to substantially greater percentages of federal land ownership. Table 1 shows the 13 Western states received \$423,482,052 of the \$514,684,460 in PILT awarded, which accounts for 82.3% of total PILT payments made in 2020.

Table 1. Federal Payments in Lieu of Taxes (PILT) for the 13 Western States and Rest of U.S., 2020

State	Entitlement Acres	Total PILT	PILT per Acre
Alaska	225,219,353	\$31,683,971	\$0.14
Arizona	28,138,924	\$39,528,287	\$1.40
California	43,648,366	\$54,562,480	\$1.25
Colorado	23,698,103	\$41,738,943	\$1.76
Hawaii	137,979	\$410,562	\$2.98
Idaho	32,626,094	\$33,759,782	\$1.03
Montana	27,412,972	\$35,166,221	\$1.28
Nevada	56,706,160	\$27,868,890	\$0.49
New Mexico	22,369,531	\$41,357,054	\$1.85
Oregon	31,312,205	\$23,321,995	\$0.74
Utah	32,928,363	\$39,213,809	\$1.19
Washington	11,983,071	\$24,078,273	\$2.01
Wyoming	29,848,307	\$30,791,785	\$1.03
Rest of U.S.	40,716,355	\$91,202,408	\$2.24
Totals	606,745,783	\$514,684,460	\$0.85

Source: U.S. Department of the Interior payments in lieu of taxes – for fiscal year 2020, summary by state.

¹ The 13 Western states are Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.

Table 1 shows that the state of Nevada had the second-largest amount of entitlement acreage with 56,706,160 acres. However, the state of Nevada received only \$27,868,890 in PILT, which ranks Nevada 10th highest in the nation in PILT payments. Nevada PILT payments translated to 49 cents in PILT payments per entitled acre. Only Alaska had a smaller PILT payment per entitlement acre at 14 cents.

The Western states of California, New Mexico, Arizona, Montana, Utah, Colorado, Alaska, Idaho, and Wyoming received larger PILT payments than Nevada. Only the state of Alaska has a greater entitlement acreage than Nevada. Only the states of Washington, Oregon and Hawaii had lower PILT payments than Nevada.

The state of California realized the largest PILT payments in 2020 at \$ 54,562,480 or \$1.25 in PILT payments per entitlement acreage. Even though California had approximately 13 million entitlement acres less than the state of Nevada, California received approximately \$26.7 million more than Nevada in PILT payments. The disparity between overall payments to these states is a result of the PILT formula, which is discussed in Zimmerman and Harris (2000). While providing more overall revenue, the new PILT formula apparently has caused little change in payments among states.

Table 2. Federal Land Payments in Lieu of Taxes for the 13 Western States, 2016 to 2020

State	2016	2017	2018	2019	2020
Alaska	\$28,961,235	\$29,695,460	\$32,308,994	\$30,941,006	\$31,683,971
Arizona	\$35,022,842	\$36,023,640	\$39,929,266	\$38,718,085	\$39,528,287
California	\$47,273,144	\$48,261,603	\$60,451,685	\$51,729,171	\$54,562,480
Colorado	\$35,558,866	\$36,618,440	\$40,144,620	\$39,908,985	\$41,738,943
Hawaii	\$352,278	\$360,118	\$368,438	\$402,293	\$410,562
Idaho	\$29,370,334	\$30,054,704	\$36,091,206	\$32,271,810	\$33,759,782
Montana	\$30,285,246	\$31,786,271	\$40,073,049	\$33,990,204	\$35,166,221
Nevada	\$25,632,826	\$26,184,790	\$26,987,166	\$27,250,038	\$27,868,890
New Mexico	\$37,770,954	\$38,525,087	\$42,630,492	\$40,268,203	\$41,357,054
Oregon	\$18,435,896	\$19,653,568	\$36,915,386	\$37,168,838	\$23,321,995
Utah	\$38,362,447	\$39,500,105	\$40,715,865	\$40,938,259	\$39,213,809
Washington	\$20,497,977	\$21,312,109	\$29,037,327	\$23,059,249	\$24,078,273
Wyoming	\$28,198,773	\$28,605,863	\$31,717,661	\$30,210,195	\$30,791,785

Source: U.S. Department of the Interior payments in lieu of taxes – for fiscal years 2016 to 2020, summary by state.

Table 2 shows a time trend of PILT payment to the 13 Western states from 2016 to 2020. PILT payments to the states of California and Colorado increased by 15.42% and 17.38% respectively, for the past five years. However, the state of Nevada realized only an 8.72% increase, while PILT payments to Washington increased by 17.47%. Table 2 shows that as PILT payments have changed, allocation among states has not been equitable.

REFERENCES

Zimmerman, John and Thomas R. Harris. "An Update of Federal and State Land-Based Payments in Nevada." University Center for Economic Development Technical Report UCED 2000/01-06. September 2000.

For further information concerning comparison of payment in lieu of taxes by Western states, please see the webinar "State Comparison of Payments in Lieu of Taxes for 2020". The webinar address is: <https://www.youtube.com/watch?v=0yLpE-uPLmQ>.