University of Nevada, Reno
Extension
College of Agriculture,
Biotechnology & Natural Resources

Payments in Lieu of Taxes

Lyon County
2026

An Analysis of Federal Payments for Public Lands in Lieu of Taxes to Nevada's Counties.









Summary

Implementing public policy often involves steps and procedures that can be challenging to digest for policy-makers themselves, researchers and laypeople alike. This fact sheet outlines the procedures for calculating the level of federal payment from the Payments in Lieu of Taxes (PILT) Program. Approximately 87% of Nevada's total land acreage is federally administered, and local governments can't legally tax these lands. Former Bureau of Land Management Director Jim Baca stated, "While federal lands provide important local recreational and economic opportunities, their tax-exempt status can have fiscal impacts on the governmental units that surround them. These payments are beneficial to local governments, especially for sparsely populated counties that contain large acreage of tax-exempt federal lands. These payments help provide vital services such as fire and police stations, search and rescue operations, and road construction."[1]

Inflation Adjustments

Per acre and population variables used in the payment formulae to compute payment amounts are subject to annual inflation adjustments using the Consumer Price Index (CPI), per the 1994 amendments to the PILT Act. CPI inflation rose 2.64% from FY 2025 to FY 2026. This creates the following changes from the previous fiscal year.

Table 1. FY 2026 Inflation Adjustments

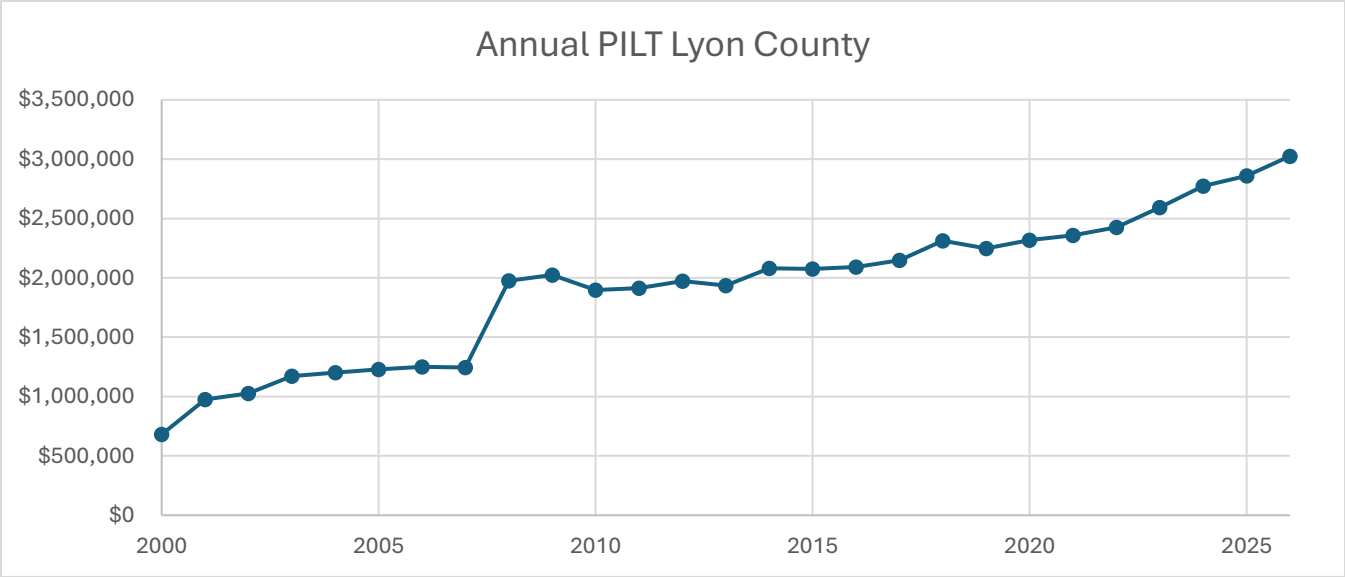
	FY 2025	FY 2026	YoY Change
Alternative A Acreage	$3.46	$3.55	$0.09
Alternative B Acreage	$0.50	$0.51	$0.01
Population MIN	$93.09	$95.55	$2.46
Population MAX	$232.73	$238.87	$6.14

Source: Fiscal Year 2026 Payments in Lieu of Taxes National Summary, U.S. Department of the Interior

Payments, 2010 to 2026

Lyon County should expect to receive $3,025,700 for FY 2026 PILT.

Figure 1. Lyon County, PILT Amounts, FY 2000 to FY 2026



Amounts shown are in nominal dollars.

[1] News Release, Bureau of Land Management, July 27, 1993.

Background and History

In 1976, Congress authorized federal land management agencies to share income with states and counties and provide the Payment in Lieu of Taxes (PILT) Program to help offset lost tax revenues (Public Law 94-565). Due to its distinction as the largest federal land management agency, the BLM was chosen by the Secretary of the Interior to administer the PILT Program.

The 1976 Act has undergone several changes since initial passage. By 1994, there were three sections in the Act that distributed money to the states: Section 6902, Section 6904, and Section 6905.

Section 6902 authorizes payment to local government entities for "entitlement land" using one of two alternative payment schemes (Alternative A and Alternative B, as described later in this document.) "Entitlement lands" are federal lands within the county including National Forest System and the National Park System, lands administered by the Bureau of Land Management, lands in Federal water resource projects, dredge areas maintained by the U.S. Army Corps of Engineers, inactive and semi-active Army installations, and some lands donated to the Federal Government.

Section 6904 authorized payments for lands acquired after Dec. 31, 1970, that were additions to the National Park System or National Forest Wilderness Areas. These lands must have been subject to local real property taxes within the five-year period preceding the acquisition by the federal government. Payments are made annually for five years following the acquisition and are 1% of fair market value for these lands at the time of acquisition. The annual payments may not exceed the amount of taxes levied on the property during the year before the purchase. The Act stipulates that Section 6904 payments must be distributed to local governments and school districts that have incurred losses of real property taxes prior to the acquisition of these lands. Payments are distributed proportional to tax revenues that were levied by local governments and school districts in the year prior to the acquisition of these lands.

Section 6905 payments pertain to government-held interests in the Redwood National Park or Lake Tahoe Basin after the passage of (P.L. 96-586, 94 Stat. 3383) in 1980. These payments continue until they total 5% of the fair market value of the lands at the time of their acquisition and cannot exceed actual property taxes assessed and levied on the property during the fiscal year prior to federal government acquisition.

Over 99% of total payments in Nevada are covered under Section 6902.

Statutory Authority for PILT

The original law is Public Law 94–565, as amended. That law, known as the Payments in Lieu of Taxes Act (PILT Act), is codified at Chapter 69 of Title 31 of the U.S. Code. Applicable regulations are in 43 CFR Part 44.

On January 23, 2026, the President signed the Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026 (Public Law 119–74), which provided full funding for the PILT program.

Payment Calculation Steps

Step A: Calculate County Entitlement Acreage

Entitlement acreage for Section 6902 payments can be calculated by summing the total acreage of each entitlement lands category.

Entitlement Lands are comprised of lands administered by:

1. Bureau of Land Management (BLM)
2. National Forest System (FS)
3. Water resources development projects land; Bureau of Reclamation (BOR)
4. National Park System (NPS)
5. Dredge disposal areas for the U.S. Army Corps of Engineers (COE)
6. Army installations (ARMY)
7. National Wildlife Reserve Areas withdrawn from the public domain; U.S. Fish & Wildlife Service (FWS)
8. Land located in the vicinity of Purgatory River Canyon and Pinon Canyon, Colorado, acquired after Dec. 31, 1981, to expand the Fort Carson military reservation (URC)

Table 2 shows the composition of entitlement acreage by land manager.

Table 2. Lyon County, Entitlement Land Acreage by Agency Administration, FY 2026

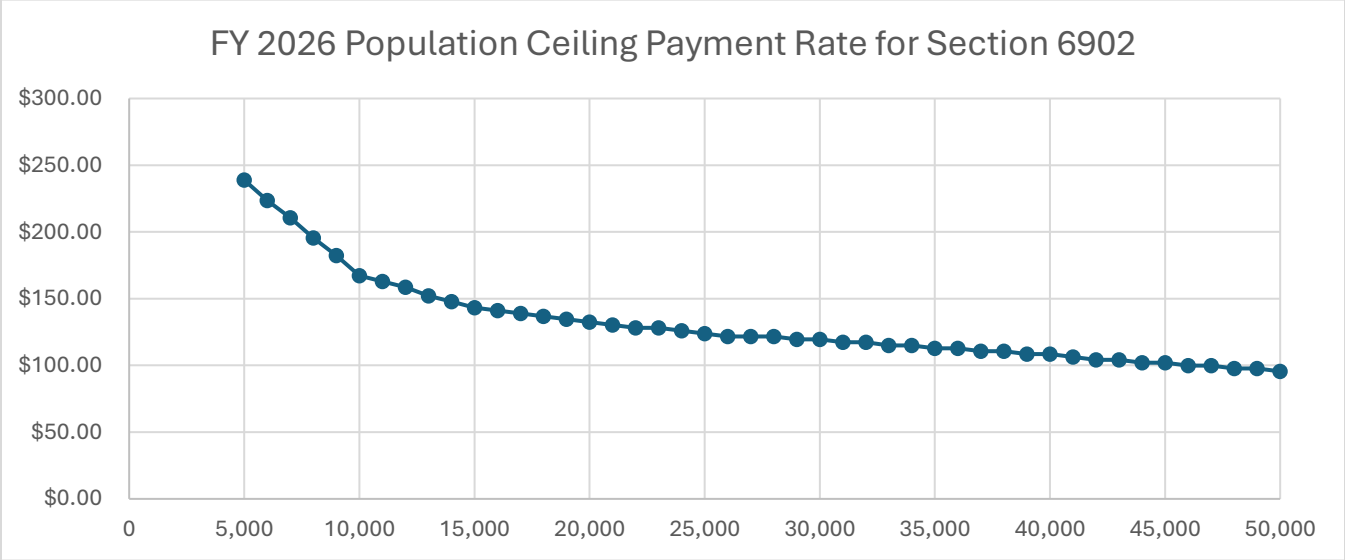
Land Administrator	Entitlement Acres	Percent of Total Acres
BLM	555,909	42.9%
Forest Service	276,119	21.3%
Bureau of Reclamation	24,894	1.9%
National Parks Service	0	0.0%
Corps of Engineers	0	0.0%
Army Installations	0	0.0%
Fish and Wildlife Service	0	0.0%
URC	0	0.0%
Other	0	0.0%
Total Entitlement Acres	856,922	66.1%
Total County Acreage	1,295,550	100.0%

Source: U.S. Department of the Interior, Payment in Lieu of Taxes Website; PILT Acres by Agency; USGS PADUS

Step B: Calculate Ceiling Payment Based on Population

There are sliding scale-based payment ceilings starting at $95.55 for populations over 50,000 to $238.87 per capita for populations less than or equal to 5,000. If the standard calculation for all counties in the PILT program calculation ($3.55/entitlement acre*# of entitlement acres) is greater than the ceiling, payment is then based on the ceiling. Below is a graph of the 2026 rate schedule for the ceiling payment calculation from Table 2 of the Department of the Interior's 2026 PILT National Summary. There is a steeper drop-off in dollars per person received using the ceiling calculation for counties with populations between 5,000 and 10,000, shown below in Figure 2.

Figure 2. Population Ceiling Payment Rate; Section 6902; FY 2026



The administrators of the program use the latest population count as provided by the U.S. Census Bureau. Population figures of 5,000 or more are rounded to the nearest thousand. The maximum population count for purposes of the Act is 50,000.

Table 3. Lyon County; Population Ceiling Payment Rate Calculation; FY 2026

	Lyon County
Census Population Estimate2024	63,718
Rounded Population Estimate 2024, If Over 5,000	64,000
Apply 50,000 Population Cap, If Applicable	50,000
Population Unit	50,000
Population Unit Rate	$95.55
Population Cap x Population Unit Rate	$4,777,500
Less Deduction for Prior Year Revenue-Share Payment	$14,129
Population Limit - Prior Year Revenue-Share Payment	$4,763,371

Source: Fiscal Year 2026 Payments in Lieu of Taxes National Summary, U.S. Department of the Interior; Population is from the U.S. Census Bureau's County-Level Population and Component Estimates: co-est2024-alldata

Step C: Choose the Greater of Alternative A or Alternative B

The amount to be paid to each unit of general local government is the higher of the following two alternatives:

> **Alternative A**: $3.55 for each acre of entitlement land within the boundaries of the unit of government, reduced by the amount of certain Federal land payments that were received by the unit in the prior fiscal year.
>
> - or -
>
> **Alternative B**: $0.51 for each acre of entitlement land within the unit of government. In this case, no deductions are made for the Federal land payments received by the unit of government in the prior fiscal year.

Alternative A

Table 4. Lyon County, Alternative A Calculation, FY 2026

	Lyon County
Entitlement Acreage	856,922
Standard Rate, Dollars per Acre	$3.55
Alternative A Gross Amount	$3,042,073
Prior Year Revenue Share	$14,129
Alternative A Net, Prior to Population Limitation	$3,027,944
Lower of Alternative A Net and Population Ceiling Amount (Table 3)	$3,027,944

Source: Fiscal Year 2026 Payments in Lieu of Taxes National Summary, U.S. Department of the Interior

Due to Lyon County's Alternative A calculation being lower than the population ceiling payment, the Alternative A calculation is chosen for Alternative A, $3,027,944.

Alternative B

Table 5. Lyon County, Alternative B Calculation, FY 2026

	Lyon County
Entitlement Acreage	856,922
Minimum Rate per Acre	$0.51
Minimum Rate Gross Amount	$437,030
Lesser of Population Limit and Minimum Rate Gross	$437,030

Source: Fiscal Year 2026 Payments in Lieu of Taxes National Summary, U.S. Department of the Interior

Lyon County's Alternative B minimum rate payment is less than the population ceiling calculation, so the minimum rate calculation is chosen for Alternative B, $437,030

The Section 6902 payment amount is the larger of Alternatives A and B.

For Lyon County, this is Alternative A at $3,027,944.

Step D: Appropriate Funds and Calculate Proration Amount

In FY 2026, $733,591,949 was allocated for the funding of the PILT Act. $550,000 was authorized for the administration of the funds. This leaves $733,041,949 of funding available for PILT payments nationally. Each County's payment will be reduced by a proration of this difference.

733,041,949 / 733,591,949 = 99.92502644%

Step E: Pay Each County a Prorated Share of Full Amount

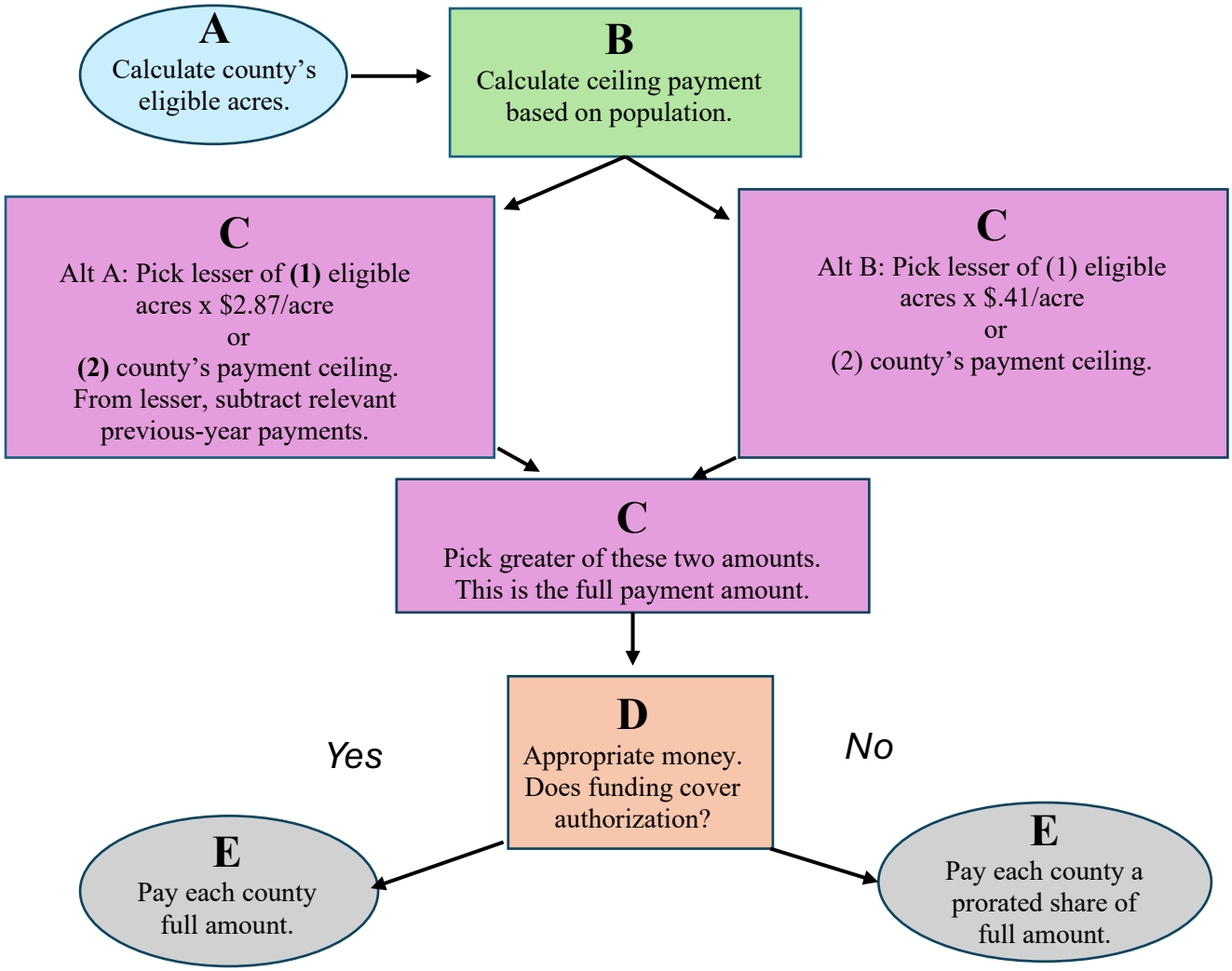
Table 6. Lyon County, Prorated and Adjusted Total PILT, FY 2026

	Lyon County
6902 Payment	$3,027,944
6904 and 6905 Payments	$0
Total Gross	$3,027,944
Proration Percentage	0.9992503%
Prorated Amount	$3,025,700
Prior Year Adjustments	$0
Total PILT, FY 2026	$3,025,700

Source: Fiscal Year 2026 Payments in Lieu of Taxes National Summary, U.S. Department of the Interior
Note: Proration percentage is an estimate and may not multiply to exact amount.

Lyon County should expect to receive $3,025,700 for Fiscal Year 2026 PILT.

Flowchart



References

1. U.S. Department of the Interior; Payment in Lieu of Taxes Website; PILT Acres by Agency
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    a. https://pilt.doi.gov/counties.cfm?term=county&state_code=NV&fiscal_yr=2026&Search.x=41&Search.y=10
3. Fiscal Year 2026 Payments in Lieu of Taxes National Summary; U.S. Department of the Interior
    a. https://www.doi.gov/sites/default/files/documents/2026-06/2026nationalsummarypilt-508.pdf
4. Payments in Lieu of Taxes (PILT) to Nevada Counties in 2021: (Various Counties)
    a. Harris, Chicola; University of Nevada, Reno Extension and the University Center for Economic Development. Published 2022.
5. Population Figures
    a. https://www2.census.gov/programs-surveys/popest/datasets/2020-2024/counties/totals/

Appendix

Table 7. Annual PILT Amounts for Figure 1

Year	PILT Amount
2000	$680,934
2001	$976,151
2002	$1,026,294
2003	$1,173,056
2004	$1,203,255
2005	$1,229,798
2006	$1,250,797
2007	$1,244,495
2008	$1,975,897
2009	$2,023,135
2010	$1,896,456
2011	$1,914,315
2012	$1,972,328
2013	$1,936,093
2014	$2,080,651
2015	$2,074,572
2016	$2,091,543
2017	$2,148,161
2018	$2,313,628
2019	$2,248,437
2020	$2,317,683
2021	$2,358,595
2022	$2,425,829
2023	$2,592,732
2024	$2,773,741
2025	$2,858,609
2026	$3,025,700

Table 8. Population Ceiling Rate for Figure 2

Population	PILT Amount
5,000	$238.87
6,000	$223.70
7,000	$210.64
8,000	$195.48
9,000	$182.40
10,000	$167.16
11,000	$162.89
12,000	$158.54
13,000	$152.03
14,000	$147.70
15,000	$143.31
16,000	$141.15
17,000	$138.94
18,000	$136.81
19,000	$134.65
20,000	$132.54
21,000	$130.31
22,000	$128.14
23,000	$128.14
24,000	$125.97
25,000	$123.80
26,000	$121.62
27,000	$121.62
28,000	$121.62
29,000	$119.47
30,000	$119.47
31,000	$117.28
32,000	$117.28
33,000	$115.07
34,000	$115.07
35,000	$112.88
36,000	$112.88
37,000	$110.74
38,000	$110.74
39,000	$108.60
40,000	$108.60
41,000	$106.39
42,000	$104.25
43,000	$104.25
44,000	$102.04
45,000	$102.04
46,000	$99.91
47,000	$99.91
48,000	$97.73
49,000	$97.73
50,000	$95.55

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Authors

Thomas R. Harris
Emeritus Professor
University of Nevada, Reno
Department of Economics and Extension

Joseph Lednicky
Economist
University of Nevada, Reno
Extension

Roy Visuett
Research Coordinator
University of Nevada, Reno
Extension

University of Nevada, Reno
Extension
College of Agriculture, Biotechnology & Natural Resources

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