

# SUBSIDIZED SPORT STADIUMS

## QUICK STATS

- ✘ **CONFERENCE:** Spending
- ✘ **TEAM:** Internal Revenue Service
- **FUMBLE:** \$542 million over the next ten years for tax-exempt bonds subsidizing private enterprise
- **HOW TO RECOVER THE BALL:** Congress should act to make stadiums ineligible for use of tax-free municipal bonds and stop subsidizing multi-million dollar franchises

For the past twenty years, publicly subsidized stadiums have become an increasingly popular means for areas to attract and retain professional teams. The tax-exempt federal bonds primarily used to subsidize the privately owned franchises cost the taxpayers millions of dollars annually, with most of the benefits accumulating to a select few.<sup>162</sup> Projections from the U.S. Treasury estimate that eliminating the tax exemption could save the federal government approximately \$542 million over the next ten years.<sup>163</sup>

According to a study by Bloomberg Business, “Over the life of the \$17 billion of exempt debt

issued to build stadiums since 1986, the last of which matures in 2047, taxpayer subsidies to bondholders will total \$4 billion.”<sup>164</sup>

## RECOVERY

Public funding should be focused on broader projects that not only benefit a larger population, but also serve a more tangible public policy purpose. Congress should act to make stadiums ineligible for use of tax-free municipal bonds and stop subsidizing multi-million dollar franchises.

### ***For more information, please visit:***

[Department of the Treasury: General Explanations of the Administration’s Fiscal Year 2016 Revenue Proposals](#)  
[GAO: Tax Policy: Tax-Exempt Status of Certain Bonds Merits Reconsideration, and Apparent Noncompliance with Issuance Cost Limitations Should Be Addressed](#)  
[Bloomberg Business: In Stadium Building Spree, U.S. Taxpayers Lose \\$4 Billion](#)