

Bond Case Briefs

Municipal Finance Law Since 1971

NFL Lines Up Against Stadium Provision in Tax Plan.

In a season filled with political clashes, the league is now preparing to oppose the proposed removal of a tax break for stadium construction

The National Football League is pushing back against a provision in the Republican tax bill that would get rid of tax breaks for cities and states that borrow money to fund stadiums for sports teams.

The league's opposition is the latest in a series of political clashes this football season, including a feud with the White House over player protests during the national anthem.

"It's something that the NFL will oppose because we believe that the construction of new stadiums and renovations of stadiums are economic drivers in local communities," NFL spokesman Joe Lockhart said. "If the idea is to promote economic growth, this would be a step backwards."

Public funding of sports stadiums, and a tax exemption on municipal bonds that often underpin such deals, has come under fire from members of both parties, including President Donald Trump, in recent years.

Trump has used the issue as part of his conflict with the NFL over the anthem protests. He has repeatedly blasted the league, owners and players for the demonstrations, which began a year ago to draw attention to social issues such as racial inequality and police brutality. Trump has called the protests unpatriotic.

"Why is the NFL getting massive tax breaks while at the same time disrespecting our Anthem, Flag and Country? Change tax law!" Trump tweeted on Oct. 10.

Previously, the league had tax-exempt status, but it gave that up in 2015.

After Trump's tweet on the topic, White House press secretary Sarah Huckabee Sanders said despite that change "it's been well documented that billions of taxpayer dollars continue to subsidize the construction and renovation of professional sports stadiums."

"If this industry is going to use money from American taxpayers to build the very fields they play on, is it really too much to ask that they show respect for the American flag at the beginning of the game?" Sanders said.

A 2016 study by the Brookings Institution said the federal government had lost about \$3.2 billion in federal tax dollars on the construction and renovations of professional sports stadiums since 2000.

Major League Baseball and the National Basketball Association did not immediately respond to requests for comment.

"Eliminating this is a good idea," said Ted Gayer, one of the authors of the Brookings study. "It's a transparently egregious misuse of federal tax dollars."

According to the Brookings report, subsidies for NFL stadiums cost \$1.1 billion, and that study didn't include the Atlanta Falcons' new home that opened this year. That was in part financed by about \$200 million of public bonds.

These bonds are also linchpin of the planned stadium for the Oakland Raiders when they move to Las Vegas. The funding for that project includes \$750 million in public backing.

The Wall Street Journal

By Andrew Beaton

Nov. 2, 2017 6:07 p.m. ET

Write to Andrew Beaton at andrew.beaton@wsj.com

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com