

Payment in Lieu of Taxes (PILT or PILOT) - WSFR

This information applies to:
grants

Definition

Payments in lieu of taxes (PILT or PILOT) are a form of compensation to a local government for some or all of the tax revenue that it loses due to the tax-exempt status of another government entity or a nonprofit organization. Most often, PILT usually applies in reference to the taxes on real property, equipment, and sometimes general sales. Such taxes help to support local education/schools, police/fire protection and services, trash collection/removal, and water/sewage treatment. The tax-exempt entity typically enjoys the same level of these services as the rest of the residents of the local jurisdiction. Some States are required by their statutes to make payments in lieu of real property taxes to help compensate the local jurisdiction from the loss of such taxes. In addition, some nonprofits voluntarily provide a negotiated payment in lieu of taxes to the local tax authority to offset the impact on local services funded by residents of the local jurisdiction.

2 CFR 200.470 Taxes (including Value Added Tax).

(a) For states, local governments, and Indian tribes: (1) Taxes that a government unit is legally required to pay are allowable, except for self-assessed taxes that disproportionately affect Federal programs or changes in tax policies that disproportionately affect Federal programs.

2 CFR 200.420 Considerations for selected items of cost.

Failure to mention a particular item of cost is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment provided for similar or related items of cost, and based on the principles described in 2 CFR 200.402 through 2 CFR 200.411.

50 CFR 80.50 What activities are eligible for funding under the Pittman-Robertson Wildlife Restoration Act?

(a)(7) Operate or maintain: (i) Projects that the State fish and wildlife agency completed under the Pittman-Robertson Wildlife Restoration Act; or (ii) Facilities that the agency acquired or constructed with funds other than those authorized under the Pittman-Robertson Wildlife Restoration Act if these facilities are necessary to carry out activities authorized by the Pittman-Robertson Wildlife Restoration Act.

(b)(2) Construct, operate, or maintain firearm and archery ranges for public use.

(c)(4) Enhance construction and development of firearm and archery ranges.

50 CFR 80.51 What activities are eligible for funding under the Dingell-Johnson Sport Fish Restoration Act?

(a)(10) Operate or maintain: (iii) Projects that the State fish and wildlife agency completed under the Dingell-Johnson Sport Fish Restoration Act; or (ii) Facilities that the agency acquired or constructed with funds other than those authorized by the Dingell-Johnson Sport Fish Restoration Act if these facilities are necessary to carry out activities authorized by the Act.

50 CFR 80.52 May an activity be eligible for funding if it is not explicitly eligible in this part?

An activity may be eligible for funding even if this part does not explicitly designate it as an eligible activity if: (a) The State fish and wildlife agency justifies in the project statement how the activity will help carry out the purposes of the Pittman-Robertson Wildlife Restoration Act or the Dingell-Johnson Sport Fish Restoration Act; and (b) The Regional Director concurs with the justification.

Frequently Asked Questions

Are PILT payments allowable costs to charge to a WSFR grant?

Yes. Payments in lieu of taxes (PILT) are allowable costs in a financially assisted project if the costs are eligible in the financial assistance program in question.

Are PILT payments allowable costs on lands not acquired under a WSFR grant?

Yes. Payments in lieu of taxes (PILT) are allowable on lands not acquired under a WSFR grant, as long as the lands are currently being managed under a WSFR approved, open grant. The allowability of such PILT payments does not depend on whether the land was originally acquired with financial assistance from the program funding the payments in lieu of taxes or any other Federal financial assistance program.

Why are PILT payments allowable costs under a WSFR grant?

If a State law mandates that all State agencies make PILT payments, then such payments should be considered as part of the cost of operating these lands for their authorized purposes under the WSFR Acts. As long as PILT payments meet the requirements for reasonable (2 CFR 200.404) and allocable (2 CFR 200.405), then they should be considered allowable under a WSFR grant.

Have PILT payments always been allowable under the WSFR program?

No. Prior to April 17, 2009, payments in lieu of taxes (PILT) were considered allowable only in proportion to the amount contributed by a WSFR award to the total cost of acquisition. This policy was stated in FA Policy memorandum 84-3 (dated December 12, 1983). This policy no longer has any official status. The WSFR Policy Branch reinterpreted this issue on April 17, 2009, in a response to an inquiry by Region 6 resulting from the state of Colorado's challenge of an audit finding that payments in lieu of taxes are unallowable if the lands in question had not been acquired under a Federal award. The 2009 interpretation was consistent with the revision of 50 CFR 80 in August 2011, in addition to the implementation of 2 CFR 200 on December 26, 2014.

Are PILT payments allowable if a State mandates that only the State fish and wildlife agency provide PILT payments, while all other State agencies are exempted from making similar payments?

2 CFR 200.403 outlines the factors that affect the allowability of certain costs under Federal awards. In this scenario, a State law mandates that the State fish and wildlife agency must make PILT payments, while all other State agencies are exempted from making similar payments. Under this scenario, WSFR and the grantee should consider whether 2 CFR 200.403(c) is being violated. 2 CFR 200.403(c) states "Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity". WSFR and the grantee should consider whether they are being treated disproportionately simply because of the presence of Federal funds that may be used to make such payments.

Learning Aids

Related Pages

Resources

[PILT_TBarnes_4172009.pdf](#)

References

50 CFR 80.50-52

2 CFR 200.403-405

2 CFR 200.420

2 CFR 200.470