



Bureau of Land Management

Payments in Lieu of Taxes

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Payments in Lieu of Taxes" (or PILT) are Federal payments to local governments that help offset losses in property taxes due to nontaxable Federal lands within their boundaries. The key law that implements the payments is Public Law 94-565, dated October 20, 1976. This law was rewritten and amended by Public Law 97-258 on September 13, 1982 and codified at [Chapter 69, Title 31 of the United States Code](#). The Law recognizes that the inability of local governments to collect property taxes on Federally-owned land can create a financial impact.

PILT payments help local governments carry out such vital services as firefighting and police protection, construction of public schools and roads, and search-and-rescue operations. The payments are made annually for tax-exempt Federal lands administered by the BLM, the National Park Service, the U.S. Fish and Wildlife Service (all agencies of the Interior Department), the U.S. Forest service (part of the U.S. Department of Agriculture), and for Federal water projects and some military installations. PILT payments are one of the ways that the Federal government can fulfill its role of being a good neighbor to local communities.

In Fiscal Year 2004, administrative authority for the PILT program was transferred to the Department of the Interior's (DOI) Office of the Secretary. During this transition year the Bureau of Land Management (BLM) will continue to administer the program for the Department through a Reimbursable Support Agreement. In addition to other responsibilities, BLM will calculate payments according to the formulas established by law and distribute the funds appropriated by Congress. Applicable BLM regulations pertaining to the PILT program were published as a [final rule in the Federal Register on August 23, 2000](#) and will remain in effect during this transition year.

Congress appropriates PILT payments each year. The formula used to compute the payments is contained in the PILT Act and is based on population, receipt sharing payments, and the amount of Federal land within an affected county. PILT payments are in addition to other Federal revenues (such as oil and gas leasing, livestock grazing, and timber harvesting) that the Federal Government transfers to the States. The DOI has distributed more than \$3.2 billion dollars in PILT payments (on average, \$117 million annually) to each State (except Rhode Island) plus the District of Columbia, Puerto Rico, Guam, and the Virgin Islands since these payments began in 1977.

See the [news release](#) announcing the 2004 PILT payments, as well as a breakdown of [1999, 2000, 2001, 2002, 2003 and 2004 PILT payments by State only](#) or by [State and County](#).

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