

Bond Case Briefs

Municipal Finance Law Since 1971

Help GFOA Preserve Muni Bond Tax Exemption.

On Wednesday, December 14th and Thursday December 15th select [members of Ways and Means](#) will convene to discuss the [Blueprint for Tax Reform](#), a legislative proposal for comprehensive tax reform that will be introduced in the 115th Congress that begins in January.

In order to achieve Chairman Brady's overall objectives to simplify the tax code, all tax exemptions are at risk, with the exception of the mortgage interest deduction and the deduction for charitable donations.

The Federal Liaison Center is still not certain about the specific contents of the Blueprint, but we would like to be sure that the tax exemption on municipal bond interest is not at risk.

Now is the time for GFOA members to engage your member of Congress to explain how the municipal bond underpins our infrastructure and drives our local economies. [Reach out today](#) and tell them:

- Tax-exempt bonds are the primary financing mechanism for state and local infrastructure projects—they have been used for more than 100 years and provide essential funding for states, counties and localities.
- Three-quarters of all public infrastructure projects in the U.S. are built by states and localities, and tax-exempt bonds are the primary financing tool utilized to satisfy these infrastructure needs.
- If the tax exemption is eliminated or reduced, states and localities will pay more to finance projects, leading to fewer projects and fewer jobs, or project costs will be transferred to local tax and rate payers.
- ***Describe to them specific projects in their districts that municipal bonds have built!***

Reaching out to your members of Congress and describing how the muni bond has been used to provide essential infrastructure in your jurisdiction is now more important than ever. Please feel free to access materials and to stay in touch during this hectic and exciting time via the FLC's [Federal Tax Exemption on Municipal Bond Interest Resource Center](#).