

# **Bond Case Briefs**

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## **Treasury Department Formally Withdraws Political Subdivision Rule Proposal.**

On October 4, the Treasury Department announced that it is formally withdrawing a rule proposal issued last year to redefine “political subdivision” for the purpose of determining eligibility to issue tax-exempt bonds. The withdrawal means that the current political subdivision definition will remain in effect. The action comes in response to President Trump’s executive order, from earlier this year, directing Treasury to review tax regulations and identify regulatory initiatives that are overly burdensome and inefficient.

Michael Decker, managing director and co-head of SIFMA’s municipal securities division said in a statement to The Bond Buyer, “SIFMA commends the Treasury Department for withdrawing its proposal related to the definition of political subdivision. That change would have excluded important local issuers from accessing the tax-exempt market, imposed undue requirements on issuers who would have remained eligible, and raised the cost of financing infrastructure.”

[Treasury Department Press Release](#)