

# Bond Case Briefs

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## **So it Begins: First Draft Tax Reform Bill Eliminates 501(c)(3) Bonds and All Other Private Activity Bonds, All Advance Refunding Bonds, All Tax Credit Bonds, and Governmental Bonds for Sports Venues.**

Notwithstanding repeated assurances from all corners that tax reform wouldn't touch the exclusion from gross income of interest on tax-exempt bonds ([here](#), [here](#), and [here](#)), proposed legislation would touch it indeed, and quite profoundly. The opening statement in what is sure to be a long legislative discussion on tax reform came this morning, as the House Ways & Means Committee released the first draft of a tax reform bill, which was introduced as the Tax Cuts and Jobs Act. The high[sic]-lights, if the bill were enacted into law:

1. No private activity bond issued after 2017 could be issued as a tax-exempt bond. **This includes bonds issued for the benefit of 501(c)(3) organizations.**
2. No tax-exempt bond issued after 2017 could be issued to "advance refund" another bond.
3. No tax credit bonds (regular tax credit bonds or direct pay) could be issued after 2017.
4. No governmental bond issued after **November 2, 2017 (!)** could be used to finance a "professional sports stadium."

Let's take them in order, after the jump.

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**The Public Finance Tax Blog.**

**By Johnny Hutchinson and Michael Cullers on November 2, 2017**

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