Tax Changes Highlight Utility of This Active Muni ETF.

The One Big Beautiful Bill Act (OBBBA) contains a plethora of tax alterations that advisors and clients should be aware of. The tax advantages offered by municipal bonds remain in place. However, some of the changes could also make municipal debt and ETFs such as the PIMCO Intermediate Municipal Bond Active Exchange-Traded Fund (MUNI B+) even more appealing. This is good news for income-seeking clients and retirees.

MUNI attempts to beat the Bloomberg 1-15 Year Municipal Bond Index with holdings that are primarily short- and intermediate-term bonds. Currently, it has 576 holdings with an average effective duration of 4.79 years. The $2.74 billion ETF debuted in 2009. Its status as an actively managed fund could be compelling the current tax climate.

“Municipal bonds as an asset class is a little bit of a funny class compared to other types of classes,” noted Devin Ekberg of PIMCO’s advisor education group. “There’s a lot of inefficiencies and dislocations, last year in particular. In 2025, there was a lot of structural issues, a lot of supply that met the market, and it caused a lot of disruption in price and so forth. Unfortunately, that’s a very difficult environment for passive bond managers to handle.”

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