

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

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## **IRS Releases Tax Statistics on Municipal Bonds.**

The IRS has released tax statistics collected from information returns filed by state and local governments that issue tax-exempt bonds to finance essential operations, facilities, infrastructure, and services for their constituents.

### SOI Data on Municipal Bonds

State and local governments across the United States and its territories issue tax-exempt bonds to finance essential operations, facilities, infrastructure, and services for their constituents. SOI conducts annual studies on tax-exempt governmental bonds and tax-exempt private activity bonds derived from Forms 8038-G and Forms 8038 filed by bond issuers. The American Recovery and Reinvestment Act of 2009 (ARRA), expanded bond finance options to include: tax-exempt bonds, direct payment bonds, and tax credit bonds.

### Tax-Exempt Bond Proceeds, Issue Years 2005-2009

#### Highlights of the Data

Over 25,000 tax-exempt bonds generated nearly \$446.2 billion in total proceeds during 2009, as reported on Forms 8038-G and Forms 8038 filed with the IRS.

More than \$340.7 billion in governmental bond proceeds funded public projects such as schools, transportation infrastructure, and utilities in 2009.

An additional \$105.6 billion in tax-exempt private activity bond proceeds financed projects such as residential rental facilities, single family housing, and facilities of Internal Revenue Code section 501(c)(3) organizations like hospitals and private universities.

Over 81.8 percent of total tax-exempt bond proceeds for 2009 were used to finance long-term development projects.

Nonrefunding bond issues (also referred to as “new money issues”) are bonds issued to finance new capital projects.

New money proceeds increased by 3.1 percent from \$259.3 billion in 2008 to \$267.7 billion in 2009.

Direct payment bonds, through the Build America Bonds (BABs) and the Recovery Zone Economic Development Bond (RZEDs) Programs, created nearly \$65.3 billion in total proceeds for 2009.

In 2009, State and local governments issued \$3.7 billion in tax credit bonds, largely through the Qualified School Construction Bond (QSCBs) and Qualified Zone Academy Bond (QZABs) Programs.

### Products

Many products based on the annual studies are made available to the public:

- Annual articles published in SOI Bulletins are available to download or print.
- Statistical tables present municipal bond data for tax-exempt bonds (which includes both governmental and private activity bonds), direct payment bonds, and tax credit bonds.
- Information about selected terms and concepts, a description of the data sources and limitations, and links to recent revisions of Forms 8038 series returns, please visit the Tax-Exempt Bonds Studies' Metadata page.

Total Tax-Exempt Bonds, Direct Payment Bonds, and

Tax Credit Bonds, 2009

[Money amounts are in millions of dollars]

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Percentage

Type of bond	Number	Amount	of total
amount			
(1)	(2)	(3)	

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Total	26,384	515,283	100.0
Tax-exempt bonds	25,095	446,233	86.6
Direct Payment bonds <sup>1</sup>	911	65,326	12.7
Tax credit bonds <sup>2</sup>	378	3,724	0.7

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NOTE: Detail may not add to totals because of rounding.

#### FOOTNOTES TO TABLE

2 Bonds reported on the Form 8038-G, Information

Return for Tax-Exempt Governmental Obligations, with a

specific reference to "Build America Bond" or "Recovery Zone Economic

Development Bond" in either their issue name or other description.

3 Includes data from governmental and private activity

bond returns (Forms 8038-G and 8038) that specifically reference

"qualified school construction" bonds, "clean renewable energy"

bonds, "qualified zone academy" bonds, or "Midwestern tax credit"

