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Moody's Request for Comment - Tax Increment Debt.

This Request for Comment describes our proposed methodology for rating tax increment bonds in the US. The approach described in this methodology applies to bonds secured by incremental property tax revenues only.

The proposed methodology includes a scorecard that assigns weights and values to the factors we consider consistently most important in tax increment bond analysis. We currently rate the debt of 65 redevelopment or economic development agencies, relating to over 110 unique tax increment financing (TIF) project areas. Tax increment bonds issued in California, known also as tax allocation bonds (TABs), comprise 80% of the rated credits. If the proposed methodology is adopted, we expect that approximately one-half of our California Tax Allocation Bond (TABs) ratings could be upgraded, while approximately 10% of our nonCalifornia tax increment ratings could be downgraded. See section titled, "California Tax Allocation Bonds" for additional information on California TABs.

[Read the full Request for Comment.](#)