

Bond Case Briefs

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NABL: Tax Reform On Its Way.

The election of Donald Trump and the Republicans holding their majorities in the House of Representatives and the Senate means that there will be an effort, probably a successful one, to enact tax reform. The exemption of interest on state and local obligations is at serious risk of being curtailed or even eliminated.

[The Trump campaign put out its tax reform proposals](#) that largely mirrored the [tax reform plans put out by the House Republican leadership earlier in the year](#). Neither mentions municipal bonds, but the House proposal does include a provision that says that interest would have a 50 percent exclusion. It is unclear whether this refers just to currently taxable interest or to all interest, including interest on state and local obligations. It is also possible that some version of the proposals by the Obama administration to cap the value of the tax exemption at the 28 percent bracket could be proposed.

NABL members should contact their members of Congress, and urge their issuers clients to do so also, and make sure they understand the importance of municipal bonds. NABL has a [tax reform resource page](#) with information and sample letters.

Read more [here](#).