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## **New Tax Laws Drive More Americans Into Muni Bonds.**

### **High earners hit hardest by overhaul seek to generate tax-free income**

Investors in high-tax states like New York and California are piling into municipal bonds this year, fueled in part by the 2017 tax overhaul that raised tax burdens for some high-income households.

The purchases are driven by taxpayers' desire to generate tax-free income, and this year's buying surge started right as taxpayers were seeing the full impact of the new law.

Mutual and exchange-traded funds containing California, New York and New Jersey munis have received a combined total of \$6.5 billion in inflows this year through the end of July. The inflows marked the most of any seven-month period since at least 2014, according to Lipper. People started completing the first tax returns under the new law in late January and February.

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### **The Wall Street Journal**

By Heather Gillers and Richard Rubin

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