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SIFMA Statement on Municipal Bond Provisions in the FY 2022 Budget.

Washington, D.C., May 28, 2021 – SIFMA today issued the following statement from president and CEO Kenneth E. Bentsen, Jr. on the municipal bond provisions in the FY 2022 budget:

“SIFMA appreciates the inclusion of municipal bond related provisions in the budget released today, including the \$50 billion for Qualified School Infrastructure Bonds (QSIBs), the \$15 billion increase in Private Activity Bond (PAB) authorization as created under SAFETEA-LU for transportation infrastructure, and the proposal to add public transit, passenger rail, and infrastructure for zero emissions vehicles as qualified activities for which such bonds may be issued without being subject to state private activity bond volume caps.

“SIFMA encourages the administration to continue to work with bipartisan leaders in Congress to further expand its infrastructure proposals with additional commonsense municipal finance tools. To that end SIFMA remains focused on our core municipal priorities, which will aid in building, maintaining and improving our infrastructure and lead to job creation and economic growth. These include reinstating advance refunding, authorizing a new general purpose direct payment bond program on a permanent basis, further expanding the volume cap and uses for private activity bonds and increasing the annual limit on the amount of tax-exempt obligations that may be issued to qualify for the small issuer exception to the tax-exempt interest expense allocation rules. In addition, we continue to believe preserving the tax-exemption for interest earned by investors on state and local bonds, which is the financing mechanism for the clear majority of infrastructure projects that state and local governments undertake, is crucial.”

May 28, 2021