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[Biden Administration Proposes Increase in PAB Limits Amongst Other Potential Tax Changes.](#)

The Biden Administration has released its annual “Green Book,” which includes a [plethora of proposed tax changes](#) for the coming fiscal year. While many changes proposed in the Treasury document are historically ignored on Capitol Hill, these documents can be used as a road map for where the Administration’s priorities lie.

Bond Components

The “Green Book” included [several bond provisions](#), including some BDA and MBFA priorities. While the tax document did not include key priorities such as the reinstatement of tax-exempt advance refundings, Congressional Leadership remains priorities.

The Administration is calling for an increase in the PAB limit for transportation infrastructure, doubling the limit to 30 billion dollars. The plan also calls for the authorization of a new direct-pay bond, Qualified School Infrastructure Bonds. According to the Green Book, the QSIB’s would:

- Have a total national QSIB limitation of \$50 billion \$16.7 billion each for 2022, 2023, and 2024.
- Interest on QSIBs would be taxable and either the bondholders’ interest would take the form of a tax credit equal to 100% of the interest on a QSIB of or the bondholders would receive cash from the bond issuer, and the Federal Government would make corresponding direct payments to the bond issuer.
- Each State would have to use no less than 0.5 percent of its total QSIB allocation for outlying areas.

We will continue to provide updates as they become available.

Bond Dealers of America

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