

# Bond Case Briefs

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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 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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