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[A “Good” Tax-Advantaged Bond Bill Tells Issuers Whether They Can Refund - A Case Study: Squire Patton Boggs](#)

This is the second in a series of posts about neutral principles that make for “good” tax-advantaged bond legislation.

We [pick up our series](#) as the Senate [prepares for a final vote on a bipartisan infrastructure bill](#) in the coming days. In the [last post](#), we stated the general rule that a good piece of tax-advantaged bond legislation tells issuers how and when they can refund bonds issued under any new bond program. Here’s an example in current law to illustrate the point.

[In 2005, Congress created a new category of tax-exempt “exempt facility” private activity bonds](#) for highway facilities and surface freight transfer facilities.[1] These bonds are exempt from the typical private activity bond volume cap[2] but are subject to a special volume cap administered by USDOT. Unlike the typical PAB volume cap (which is apportioned among the states annually based on population), the special volume cap for these bonds is a national \$15 billion cap that is available indefinitely, although all of it has now been spoken for.[3]

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The Public Finance Tax Blog

By Johnny Hutchinson on August 6, 2021

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