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[Wealth Managers Eyeing Municipal Bonds Ahead of Tax Cut Sunsets.](#)

Some advisors are waiting for the election before adding more muni-bonds. Others are getting a head start.

The Tax Cut and Jobs Act (TCJA) enacted by President Trump in 2017 increased the standard deduction and eliminated personal exemptions. It lowered marginal income tax rates across the scale. It imposed a \$10,000 cap on the deductibility of state and local taxes (SALT). It increased the tax credit for each child under 17 from \$1,000 to \$2,000. It provided a 20 percent deduction for small businesses and also hiked the AMT exemption.

It's also sunsetting in 2025 leaving financial advisors with some big portfolio decisions to make. One of the bigger ones being whether to raise their clients' municipal bond allocations and, if so, by how much.

Munis are tax free, you know.

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