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WSJ: Muni Tax Break Garners Key Support

Good news for state and local government bondholders: key House Republicans don't want to mess with the muni market.

The $4 trillion market finances local infrastructure like high schools, roads and sewers. Narrowing the tax break on muni bond interest was one way Congress in 2017 considered paying for the original round of Trump tax cuts.

While that plan got scrapped, some investors and local budget officials had worried that current negotiations to extend the cuts—as part of President Trump's "big, beautiful bill"—would pick it up again.

But in a letter Friday to Chairman Jason Smith of the powerful Ways and Means Committee, Financial Services Committee chairman French Hill cautioned against "any effort to eliminate or significantly curtail" muni bonds' tax-exemption. Reps Bill Huizenga, Andy Barr, Ann Wagner, Frank Lucas, Daniel Meuser and Mike Flood also signed the letter.

The Wall Street Journal

By Heather Gillers

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