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Mintz Reconciliation Update: Latest Developments for Tax-Exempt Bonds & Public Finance and What to Expect Next

Tax-exempt municipal bonds avoided a potential worst-case scenario of elimination in the House-passed budget reconciliation bill — the One Big Beautiful Bill Act. The recently released tax language from the Senate Finance Committee for its version of the Act also preserves access to tax-exempt bonds, which are a critical tool for infrastructure development in communities across the nation.

Read on to learn more about efforts to preserve access to this critical financing tool, how Congress has shown support for tax-exempt municipal bonds, and what to expect as the reconciliation bill moves forward.

First, a quick rewind to set the stage.

To discuss recent developments for tax-exempt bonds in the budget reconciliation bill, we need to first briefly look back to 2017 when the Republican-controlled US House of Representatives approved a budget reconciliation bill that eliminated tax-exempt private activity bonds used for various purposes, including projects for affordable housing projects, airports, water and sewage facilities, solid waste disposal facilities, certain manufacturing facilities, and qualified 501(c)(3) tax-exempt organizations like colleges and hospitals.

Continue reading.

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