

# THE IMPACT OF CHANGING THE TAX-EXEMPT STATUS OF MUNICIPAL BONDS INTEREST

## ILLINOIS

**\$ 63.70 BILLION**

State and local governments and authorities municipal bonds for 20 infrastructure purposes, Value, 2007 - 2016

**\$ 4.78 BILLION**

Estimated cost of a 28 percent cap proposal, 2007 - 2016

**\$ 14.33 BILLION**

Estimated cost of repeal of the tax-exempt status of municipal bond interest, 2007 - 2016

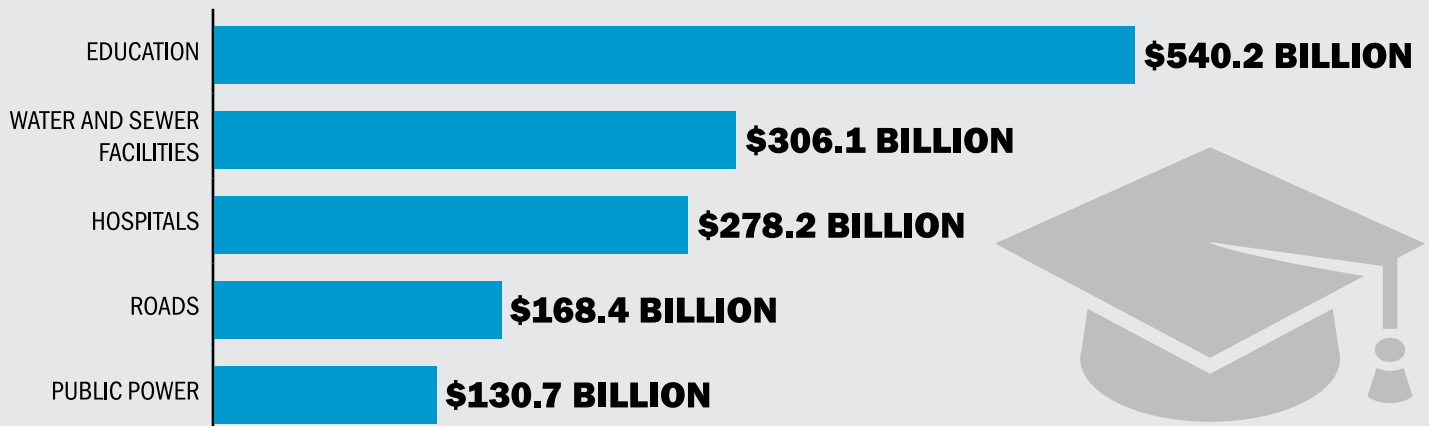
**\$389.6 BILLION**

Total estimated cost of the repeal of the tax-exempt status of municipal bond interest of the 20 infrastructure purposes, excluding refunding (2007 - 2016) USA total

**\$1.73 TRILLION**

Municipal bond issuances for the 20 infrastructure purposes, excluding refunding (2007 - 2016) USA total

### TOP 5 U.S. INFRASTRUCTURE PURPOSES FOR MUNICIPAL BONDS, 2007 - 2016



SOURCE: NACo analysis of Thomson Reuters June 2017 Data

#### DATA NOTES

Amounts in excess of 1 million are rounded to the nearest decimal. Amounts in excess of 1 billion are rounded to the nearest decimal.

The cost by state reflects the cost to all municipal bond issuers in a state not only the cost to the state government. The estimated cost of a 28 percent cap proposal is how much a state and other municipal bond issuers in a state would have had to pay additionally in interest for tax-exempt municipal bonds between 2007 and 2016 if a 28 percent cap were in place over the last 10 years. For more details on the methodology, please see our full report from 2013.

The estimated cost of the repeal of the tax-exempt status of muni bonds is how much a state and other municipal bond issuers in a state would have had to pay additionally in interest for tax-exempt municipal bonds between 2007 and 2016 if they were fully taxable over the last 10 years. For more details on the methodology, please see our full report from 2013. The cost estimates are based on a limited set of long-term tax-exempt municipal bonds for 20 infrastructure purposes, not all tax-exempt municipal bonds.

The cost estimates are average effects based on historical market conditions. The cost of a 28 percent cap or a repeal in 2016 would have varied based on the size of an issuer, the credit rating of an issuer and the specific characteristics of each bond issuance.

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#### FULL 2013 REPORT:

[www.naco.org/muni-bonds](http://www.naco.org/muni-bonds)

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