

Tax-Exempt Municipal Bonds Sustain California's Water Infrastructure

\$8.19 billion – The value of tax-exempt municipal bonds communities across California issued in 2016 to fund improvements to drinking water and wastewater infrastructure.

\$3.48 billion – Additional debt service costs cities and towns in California would incur over their payback periods if interest earned on these bonds was fully taxable, **a 25 percent increase.***

\$173.8 million – Clean Water and Drinking Water State Revolving Fund assistance the federal government provided to California in 2016. Fully taxing municipal bond interest would cost the state **20 times** the value of this year's SRF assistance.

Affordable investment in California's water infrastructure should not be a consequence of tax reform.

AMWA and NACWA urge you to preserve tax-exempt municipal bonds.



*Based on Bloomberg data assuming uniform \$50 million projects with 30-year loan maturities and "AA" credit ratings.