

# Tax-Exempt Municipal Bonds Sustain Michigan's Water Infrastructure

**\$2.06 billion** – The value of tax-exempt municipal bonds communities across Michigan issued in 2016 to fund improvements to drinking water and wastewater infrastructure.

**\$875 million** – Additional debt service costs cities and towns in Michigan would incur over their payback periods if interest earned on these bonds was fully taxable, **a 25 percent increase**.\*

**\$83.3 million** – Clean Water and Drinking Water State Revolving Fund assistance the federal government provided to Michigan in 2016. Fully taxing municipal bond interest would cost the state **more than 10 times** the value of this year's SRF assistance.

Affordable investment in Michigan'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.