Tax-Exempt Municipal Bonds Sustain Alabama’s Water Infrastructure

$685.8 million – The value of tax-exempt municipal bonds communities across Alabama issued in 2016 to fund improvements to drinking water and wastewater infrastructure.

$291.3 million – Additional debt service costs cities and towns in Alabama would incur over their payback periods if interest earned on these bonds was fully taxable, a 25 percent increase.*

$30.8 million – Clean Water and Drinking Water State Revolving Fund assistance the federal government provided to Alabama in 2016. Fully taxing municipal bond interest would cost the state nearly 9.5 times the value of this year’s SRF assistance.

Affordable investment in Alabama’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.