Tax-Exempt Municipal Bonds Sustain Massachusetts’ Water Infrastructure

$1.27 billion – The value of tax-exempt municipal bonds communities across Massachusetts issued in 2016 to fund improvements to drinking water and wastewater infrastructure.

$537.4 million – Additional debt service costs cities and towns in Massachusetts would incur over the life of their payback periods if interest earned on these bonds was fully taxable, a 25 percent increase.*

$60.8 million – Clean Water and Drinking Water State Revolving Fund assistance the federal government provided to Massachusetts in 2016. Fully taxing municipal bond interest would cost the state nearly 9 times the value of this year’s SRF assistance.

Affordable investment in Massachusetts’ 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.