

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

**\$1.08 billion** – The value of tax-exempt municipal bonds communities across Pennsylvania issued in 2016 to fund improvements to drinking water and wastewater infrastructure.

**\$456.8 million** – Additional debt service costs cities and towns in Pennsylvania would incur over their payback periods if interest earned on these bonds was fully taxable, **a 25 percent increase**.\*

**\$79.5 million** – Clean Water and Drinking Water State Revolving Fund assistance the federal government provided to Pennsylvania in 2016. Fully taxing municipal bond interest would cost the state **nearly 6 times** the value of this year's SRF assistance.

Affordable investment in Pennsylvania'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.