

Tax-Exempt Municipal Bonds Sustain Rhode Island's Water Infrastructure

\$74.5 million – The average annual value of tax-exempt municipal bonds communities across Rhode Island issued between 2011 and 2016 to fund improvements to drinking water and wastewater infrastructure.

\$31.7 million – Additional debt service costs cities and towns in Rhode Island would incur over their payback periods if interest earned on these bonds was fully taxable, **a 25 percent increase.***

\$17.3 million – Clean Water and Drinking Water State Revolving Fund assistance the federal government provided to Rhode Island in 2016. Fully taxing municipal bond interest would cost the state **nearly twice** the value of this year's SRF assistance.

Affordable investment in Rhode Island'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.