

Tax-Exempt Municipal Bonds Sustain Texas' Water Infrastructure

\$4.97 billion – The value of tax-exempt municipal bonds communities across Texas issued in 2016 to fund improvements to drinking water and wastewater infrastructure.

\$2.1 billion – Additional debt service costs cities and towns in Texas would incur over their payback periods if interest earned on these bonds was fully taxable, **a 25 percent increase**.*

\$121.2 million – Clean Water and Drinking Water State Revolving Fund assistance the federal government provided to Texas in 2016. Fully taxing municipal bond interest would cost the state **17 times** the value of this year's SRF assistance.

Affordable investment in Texas' 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.