



March 24, 2025

The Honorable John Thune
Majority Leader
United States Senate

The Honorable Mike Johnson
Speaker
United States House of Representatives

The Honorable Chuck Schumer
Minority Leader
United States Senate

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives

RE: Follow-Up on NAST's Legislative Conference – Preserving the Tax-Exemption for Municipal Bonds

Dear Majority Leader Thune, Speaker Johnson, Minority Leader Schumer, and Minority Leader Jeffries,

Earlier this month, more than 250 State Treasurers, public finance officials, and industry experts gathered in Washington, D.C., for the National Association of State Treasurers' (NAST) Legislative Conference. As part of the event, attendees met with numerous congressional offices on Capitol Hill to discuss the pressing financial challenges facing our states and the critical role of tax-exempt municipal bonds in financing public infrastructure.

As a bipartisan coalition of State Treasurers, we urge you to protect the federal tax-exemption for municipal bonds in the upcoming budget reconciliation process and any related legislation. Tax-exempt bonds are the cornerstone of infrastructure investment in our communities, enabling states and local governments to finance essential projects like schools, hospitals, roads, and water systems at the lowest possible cost to taxpayers.

Without this exemption, the consequences would be severe:

- **Increased Borrowing Costs** – State and local governments would face an additional \$823.92 billion in borrowing costs over the next decade.
- **Higher Taxes or Reduced Services** – The increased debt burden could result in a \$6,554.67 financial impact per American household over the same period.
- **Delayed or Canceled Projects** – Critical public works projects could be postponed or abandoned, directly affecting economic growth and public well-being.

Furthermore, tax-exempt bonds are not just a financing tool; they are a driver of economic stability:

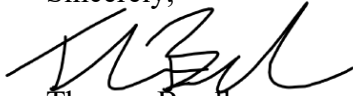
- They support over 75% of public infrastructure projects nationwide.
- They foster local job creation and economic development.

Given the fiscal pressures facing our communities, now is the time to reaffirm our commitment to preserving this vital financing mechanism. We appreciate the opportunity to have engaged with your offices during our time in Washington, D.C. and look forward to continuing these discussions in the weeks ahead.

We respectfully urge you to **oppose any efforts to eliminate or reduce the federal tax-exemption for municipal bonds** and to stand with state and local governments in ensuring the continued strength of our infrastructure investment.

Thank you for your attention to this important matter. Please do not hesitate to reach out if we can provide additional information or further collaboration.

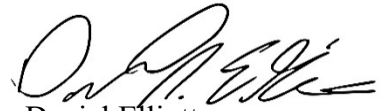
Sincerely,



Thomas Beadle
North Dakota State
Treasurer
NAST President



Rachael Eubanks
Michigan State Treasurer
NAST Senior Vice
President



Daniel Elliott
Indiana State Treasurer
NAST Secretary/Treasurer

CC: Members, United States Senate
Members, United State House of Representatives