

## Fed Signals September Shift and Tax Threat Resurfaces

- *A September rate cut appears increasingly likely* after Fed Chair Powell signaled a shift in policy and acknowledged rising economic risks.
- Municipal bonds still offer *attractive yields and strong relative value*, reinforcing urgency to act before the Fed moves and the opportunity fades.
- While not under immediate threat, the municipal bond tax-exemption—recently reaffirmed in the One Big, Beautiful Bill Act—is *once again facing scrutiny*. A new memo from the Economic Policy Innovation Center calls for its repeal, signaling potential future challenges for infrastructure financing. This development underscores the importance of continued vigilance and proactive advocacy.

*Tom Kozlik*

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