The Greatest Tax-Exemption Threat Remains Imminent, Timing Uncertain

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- **Unprecedented Threat to the Tax-Exemption:** The municipal bond tax exemption faces an unprecedented threat, with a negative potential impact on U.S. infrastructure.
- **Update on 2025 Tax Policy Negotiations:** Lawmakers are working on an aggressive schedule to finalize 2025 tax policy by May 23. However, delays and the need for specific deadlines may push the timeline further into the year.
- **Tax-Exemption vs. SALT Cap:** Advocacy efforts for the municipal bond tax-exemption have been moderate compared to the strong push for raising the SALT cap. The SALT cap has become a critical issue in the 2025 tax policy negotiations, making an increase likely. In-person visits by officials and lawmakers are crucial for advocating the importance of the tax-exemption.

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