

# Tax-Exempt Bonds, 2008

by Aaron Barnes

State and local governments across the United States and its territories issue tax-exempt bonds to finance essential operations, facilities, infrastructure, and services for their constituents.<sup>1</sup> Tax-exempt bonds issued by State and local governments are classified as either “governmental” or “private activity,” depending on whether the proceeds are used and secured by public or private entities and resources.

The total amount of tax-exempt bonds issued by State and local governments decreased by 9.1 percent between Calendar Years 2007 and 2008, from \$516.7 billion in 2007 to \$469.4 billion in 2008. For 2008, governmental bonds accounted for \$334.4 billion (71.2 percent) of total tax-exempt bond proceeds. Private activity bonds accounted for the remaining \$135.0 billion (28.8 percent).

When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds, at a specified rate of interest, by some future date. For Federal income tax purposes, investors who purchase governmental bonds and certain types of private activity bonds are able to exclude the bond interest from their gross incomes.<sup>2</sup> This tax exemption lowers the borrowing cost incurred by tax-exempt bond issuers, since holders of tax-exempt bonds are generally willing to accept an interest rate lower than that earned on comparable taxable bonds. The interest exclusion for tax-exempt bonds is not allowed for arbitrage bonds and bonds not in registered form.<sup>3, 4</sup>

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Both governmental and private activity bonds are obligations issued by or on behalf of State and local governmental units; the use of the proceeds differentiates the two. Governmental bond proceeds finance essential government operations, facilities, and services that are for general public use, and the debt service on these bonds is paid from general governmental sources. Private activity bonds are issued by or on behalf of State or local governments for the purpose of financing the project of a private user. Since private activity bond proceeds are used by one or more private entities, the debt service is paid or secured by one or more private entities. Specifically, section 141(a) of the Internal Revenue Code (IRC) provides that the term private activity bond means any bond issued as part of an issue which meets: 1) the private business tests set forth in the IRC section 141(b); or 2) the private loan financing test set forth in IRC section 141(c).<sup>5</sup> Interest income earned on most private activity bonds is taxable. However, over the years, Congress has deemed certain types of private activities necessary for the public good, and, therefore, interest income earned on “qualified private activity bonds,” as defined in IRC section 141(e), is generally tax-exempt.<sup>6, 7</sup>

The data presented in this data release are based on the populations of Forms 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, and Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, filed with the Internal Revenue Service for bonds issued during Calendar Year 2008. The vast majority of these returns were filed in 2008 and 2009 for tax-exempt

<sup>1</sup> The term “State” includes the District of Columbia and any possessions of the United States.

<sup>2</sup> In addition, for State income tax purposes, most States allow for the exclusion of interest on bonds issued by government agencies within their own States, thus increasing the benefit to the bondholder.

<sup>3</sup> An arbitrage bond is one in which any portion of the proceeds is used to purchase higher-yielding investments, or is used to replace proceeds which have been used to purchase higher-yielding investments. Certain rules allow for arbitrage earnings with respect to tax-exempt bonds within a specified time period, as long as these earnings are rebated to the Department of the Treasury.

<sup>4</sup> A registered bond is defined as: “a bond whose owner is designated on records maintained by a registrar, the ownership of which cannot be transferred without the registrar recording the transfer on its records.” (From the Municipal Securities Rulemaking Board’s Glossary of Municipal Securities Terms <http://www.msrb.org/msrbl/glossary>. See also IRC section 149(a) for additional information).

<sup>5</sup> The private business tests of IRC section 141(b) define a bond as a private activity bond if both of the following criteria are met: 1) more than 10 percent of the bond proceeds are used for a private business purpose; and, 2) more than 10 percent of the bond debt service is derived from private business use and is secured by privately used property. The private loan financing test of IRC section 141(c) defines a bond as a private activity bond if the amount of the proceeds used to (directly or indirectly) finance loans to nongovernmental persons exceeds the lesser of \$5 million or 5 percent of the proceeds.

<sup>6</sup> Tax-exempt private activity bonds include “exempt facility bonds,” qualified mortgage bonds, qualified veterans’ mortgage bonds, qualified small issue bonds, qualified student loan bonds, qualified redevelopment bonds, and qualified section 501(c)(3) bonds (all of which are defined in the “Explanation of Terms” section of this article). Examples of exempt facilities include airports; docks and wharves; sewage facilities; solid waste disposal facilities; qualified residential rental projects; and facilities for the local furnishing of electricity or gas. Qualified section 501(c)(3) bonds are issued by State and local governments to finance the activities of charitable and similar organizations that are tax-exempt under IRC section 501(c)(3). The primary beneficiaries of these bonds are hospitals, universities, and organizations that provide low-income housing or assisted-living facilities.

<sup>7</sup> The interest income from qualified private activity bonds (other than qualified section 501(c)(3) bonds) is considered a tax preference for the alternative minimum tax calculations.

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### Tax Credit Bonds

**T**ax credit bonds differ from tax-exempt bonds in that they are not explicitly interest-bearing obligations. In lieu of receiving periodic interest payments from the issuer, a bondholder is generally allowed an annual income tax credit while the bond is outstanding. The amount of the credit is determined by multiplying the bond's credit rate by the face amount on the holder's bond. The credit rate on the bonds is determined by the Secretary of the Treasury and is an estimate of the rate that permits issuance of such bonds without discount and interest cost to the qualified issuer. The credit is includable in the bondholder's gross income (as if it were an interest payment on the bond), and it can be claimed against regular income tax liability and alternative minimum tax liability.

The Taxpayer Relief Act of 1997 created the first type of tax credit bond—the qualified zone academy bond. In 2005, two additional types—clean renewable energy bonds and Gulf tax credit bonds—were created. Since then, various legislation has authorized additional types of tax credit bonds, such as qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, Midwestern tax credit bonds, and qualified school construction bonds.<sup>1, 2</sup> Issuers of tax credit bonds are required to submit to the IRS information filings similar to those required of tax-exempt bonds issuers.

In 2008, State and local governments issued \$253 million in tax credit bonds.<sup>3</sup> This amount included \$248 million in new money long-term tax

#### Total Tax-Exempt and Tax Credit Bonds, 2008

[Money amounts are in millions of dollars]

Type of bond	Number	Amount
<b>Total [1]</b>	<b>27,833</b>	<b>469,610</b>
Tax-exempt bonds	27,730	469,357
Tax credit bonds [2]	103	253

[1] Includes combined data from all government and private activity bond returns (Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations Bonds* and Forms 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*). Data contains information for new money and refunding issues, as well as short-term and long term issues.

[2] Includes data from governmental and private activity bond returns (Forms 8038-G and Forms 8038) that specifically reference "qualified zone academy" bonds or "clean renewable energy" bonds.

NOTE: Detail may not add to totals because of rounding.

#### New Money Long-Term Tax Credit Bonds, by Bond Purpose and Size of Entire Issue, 2008

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Bond purpose	All issues		Size of entire issue					
			Under \$1,000,000 [1]		\$1,000,000 under \$5,000,000		\$5,000,000 or more	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total, tax credit bonds [2]</b>	<b>99</b>	<b>248</b>	<b>36</b>	<b>17</b>	<b>49</b>	<b>94</b>	<b>14</b>	<b>136</b>
Qualified zone academy bonds [3]	71	143	29	13	33	60	9	70
Clean renewable energy bonds [3]	28	105	7	4	16	34	5	66

[1] Forms 8038-G with an entire issue price less than \$100,000 are excluded from the study. Issuers of these bonds are instructed to file Forms 8038-GC, *Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales*. Statistics of Income (SOI) does not process data from Forms 8038-GC filed with the Internal Revenue Service.

[2] Includes combined data from all governmental and private activity bond returns (Forms 8038-G and Forms 8038).

[3] Includes data from governmental and private activity bond returns (Forms 8038-G and Forms 8038) that specifically reference "qualified zone academy" bonds or "clean renewable energy" bonds.

NOTE: Detail may not add to totals because of rounding.

credit bonds, of which \$143 million were qualified zone academy bonds, and \$105 million were clean renewable energy bonds.

For 2008, new money long-term tax credit bonds had the following distribution by entire issue size: 36.4 percent of all tax credit bond issues were under \$1 million, almost 50.0 percent were in the \$1 million to \$5 million range, and 14.1 percent were in excess

<sup>1</sup> The Food, Conservation, and Energy Act of 2008 created qualified forestry conservation bonds. The Energy Improvement and Extension Act of 2008 produced new clean renewable energy bonds and qualified energy conservation bonds. The Tax Extenders and Alternative Minimum Tax Relief Act of 2008 created Midwestern tax credit bonds.

<sup>2</sup> Different categories of tax credit bonds vary in terms of the allowable tax credit rate, maturity, and other features. For example, clean renewable energy bonds and qualified zone academy bonds have a 100-percent tax credit subsidy; however, new clean renewable energy bonds and qualified energy conservation bonds have a 70-percent subsidy. Borrowers are likely to issue at a discount or pay taxable interest in addition to the lender receiving a tax credit.

<sup>3</sup> Issue Year 2008 data do not include direct payment bonds, such as build America bonds or recovery zone economic development bonds created by the American Recovery and Reinvestment Act of 2009. Additionally, the 2008 data do not contain any data with regard to direct payment tax credit bonds (i.e., qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, and qualified school construction bonds authorized by the Hiring Incentives to Restore Employment Act of 2010).

## Tax Credit Bonds—Continued

of \$5 million. However, more than half (\$136 million) of the total \$248 million in tax credit bond proceeds were from bonds with an entire issue size greater than \$5 million.

The five States with the highest dollar issuance of tax credit bonds were California, Florida, Mississippi, Connecticut, and North Carolina. Combined, these States issued \$89 million, or 35.9 percent of all new money long-term tax credit bonds. Florida issued the largest amount of qualified zone academy bonds, accounting for 14.7 percent (\$21 million) of the total. California issued \$32 million in clean renewable energy bonds, nearly 30.5 percent of the total, making it the largest issuer of clean renewable energy bonds.

**New Money Long-Term Tax Credit Bonds, by State of Issue and Bond Purpose, 2008**

[Money amounts are in millions of dollars]

State	Total tax credit bonds		Qualified zone academy bonds [2]		Clean renewable energy bonds [2]	
	[1]					
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total, All States</b>	<b>99</b>	<b>248</b>	<b>71</b>	<b>143</b>	<b>28</b>	<b>105</b>
Arkansas	4	1	4	1	0	0
California	12	39	4	7	8	32
Connecticut	3	9	0	0	0	0
Florida	3	21	3	21	0	0
Iowa	3	6	0	0	0	0
Maine	4	2	4	2	0	0
Minnesota	3	5	0	0	0	0
Mississippi	6	12	6	12	0	0
Missouri	3	4	0	0	0	0
North Carolina	5	8	5	8	0	0
Oklahoma	7	4	7	4	0	0
South Dakota	4	1	4	1	0	0
West Virginia	5	4	5	4	0	0
Wisconsin	4	4	4	4	0	0
All other States, combined	33	128	18	66	15	63

0- Data deleted to avoid disclosure of information for specific bonds when compared to other published data.

[1] Includes combined data from all governmental and private activity bond returns (Forms 8038-G and Forms 8038).

[2] Includes data from governmental and private activity bond returns (Forms 8038-G and Forms 8038) that specifically reference "qualified zone academy" bonds or "clean renewable energy" bonds.

NOTE: Detail may not add to totals because of rounding.

bonds.<sup>8</sup> However, for 2008, the issuers of tax-credit bonds were also required to use these forms to report certain information to the IRS. For this reason, the article also includes a separate discussion of tax-credit bonds.

### Bond Volume, by Term of Issue

Bonds are classified as either short-term or long-term, depending on the length of time from issuance to maturity. Bonds having maturities of less than 13 months are typically classified as short-term, while those having maturities of 13 months or more are classified as long-term. Governmental bond issues totaled \$334.4 billion in 2008, an 11.8-percent decrease from the \$379.3 billion issued in 2007. Long-term bonds accounted for \$271.7 billion, more than 81.2 percent of all governmental bond proceeds. Long-term bonds are generally used to finance construction or other capital improvement projects.

The remaining \$62.7 billion of governmental bonds were issued for short-term projects. Most short-term governmental bonds are issued in the form of tax anticipation notes (TANs), revenue an-

ticipation notes (RANs), or bond anticipation notes (BANs). TANs and RANs generally mature within 1 year of issuance, at which time the proceeds are paid from specific tax receipts or other revenue sources. The proceeds of a BAN are typically used to pay for startup costs associated with a future, long-term bond-financed project. A renewal BAN can be issued on maturity of an outstanding BAN, until, eventually, the proceeds of the future bond issue are used to pay off, or retire, the outstanding BAN. Combined, TANs, RANs, and BANs comprised 91.5 percent of all short-term governmental bond proceeds for 2008.

Tax-exempt private activity bond issues totaled \$135.0 billion in 2008, a 1.7-percent decrease from the \$137.4 billion issued in 2007. Short-term bonds accounted for almost \$2.2 billion, only 1.6 percent, of the total private activity bond proceeds for 2008.

### Long-Term Bond Volume, by Type of Issue

Total bond issuance is composed of both ("new money") nonrefunding issues and refunding issues. The proceeds of new money issues finance new capital projects, while proceeds of refunding issues retire

<sup>8</sup> Bond issuers were required to file these tax-exempt bond information returns by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued. The study includes returns processed from January 1, 2008, to May 2, 2010, for bonds issued in 2008.

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outstanding debt of prior bond issues. A bond issue can include both new and refunding proceeds.

Figures A1 and A2 show total long-term issuance, as well as the split between new money and refunding proceeds, for both governmental and tax-exempt private activity bonds issued between 2004 and 2008. In 2008, 56.6 percent of all long-term governmental bond proceeds were new money issues. New money governmental bond proceeds fell by 23.2 percent to \$153.8 billion, while refunding proceeds grew by approximately 1.5 percent from \$116.1 billion in 2007 to \$117.9 billion in 2008.

In 2008, 39.5 percent of all long-term private activity bond proceeds were new money issues. Between 2007 and 2008, new money private activity bond proceeds fell by 39.4 percent to \$52.5 billion, while refunding proceeds grew by 60.6 percent from \$50.0 billion in 2007 to \$80.3 billion in 2008.

### Long-Term Bond Volume, by Selected Purpose

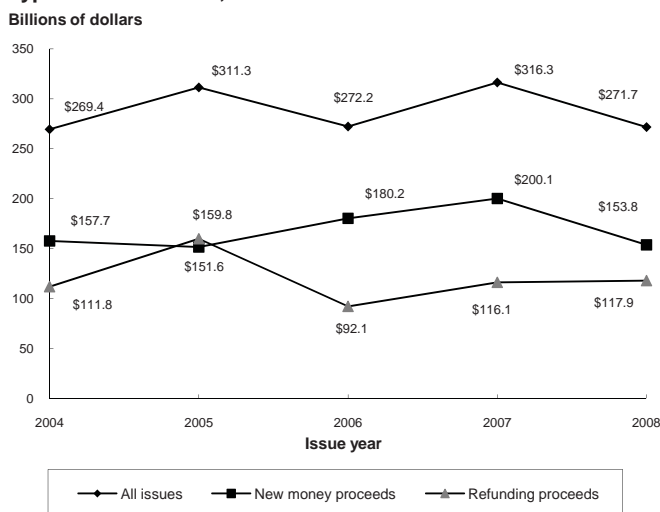
Figures B1 and B2 present the composition of long-term tax-exempt bond proceeds, by selected purpose, as well as type of issue for both governmental and

private activity bond issues. During 2008, nearly two-thirds (61.9 percent) of the total \$271.7 billion of long-term governmental bond proceeds financed education, utilities, and transportation projects. A little more than one-fourth (26.1 percent) of the long-term governmental bond proceeds were allocated for “other bond purposes” (i.e., specific purpose(s) did not apply to specific line items or were not separately allocated by the issuer). For almost all of the governmental bond purposes shown in Figure B1, more proceeds were spent financing new capital projects than were used to refund prior bond issues with the exception of “Utilities” and “Health and Hospitals.”

Qualified section 501(c)(3) bonds, which include total qualified hospital bonds and qualified nonhospital bonds issued to benefit entities exempt from income tax under IRC section 501(c)(3), combined, accounted for 65.0 percent of the \$132.8 billion of long-term private activity bonds issued for 2008. Private activity bonds issued to provide housing assistance in the form of qualified residential rental projects, qualified mortgages, and qualified veterans’ mortgage bonds accounted for another 13.3 percent of total proceeds.<sup>9</sup>

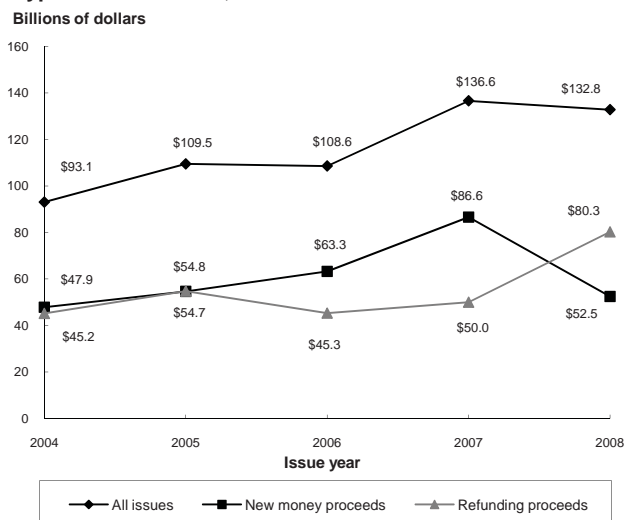
**Figures A1**

**Long-Term Governmental Bonds Issued, by Type and Issue Year, 2004-2008**



**Figures A2**

**Long-Term Private Activity Bonds Issued, by Type and Issue Year, 2004-2008**



<sup>9</sup> This figure does not include the relatively small amount of proceeds issued for qualified veterans’ mortgage bonds and Gulf Opportunity Zone mortgage bonds, which are excluded to avoid disclosure of information about specific bonds.

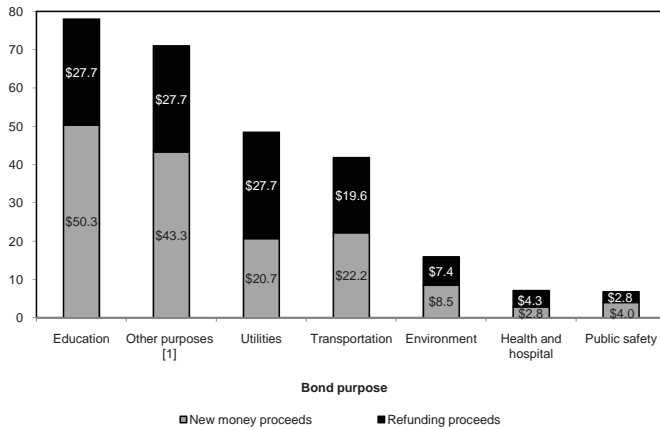
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**Figure B1**

**Long-Term Tax-Exempt Governmental Bonds, by Selected Bond Purpose and Type of Issue, 2008**

Billions of dollars

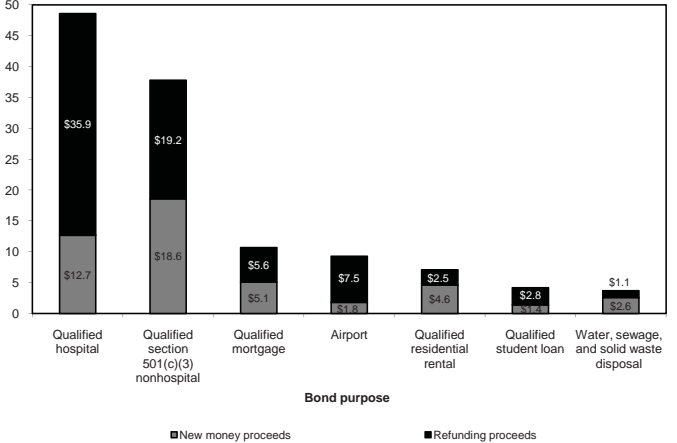


[1] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G.

**Figure B2**

**Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Type of Issue, 2008**

Billions of dollars



## Overview of Bond Issues, by State

Total new money long-term governmental bond volume decreased \$46.4 billion (23.2 percent) from 2007 to 2008. California experienced the largest absolute decrease (48.5 percent) in new money long-term governmental bond issues, from slightly more than \$30.9 billion in 2007 to \$15.9 billion in 2008. States with significant decreases in new money long-term governmental bond issues from 2007 to 2008 included Ohio, whose issuance fell 58.1 percent, from \$8.6 billion in 2007 to \$3.6 billion in 2008; Georgia, whose issuance decreased by 33.4 percent, from \$7.2 billion in 2007 to \$4.8 billion in 2008; and North Carolina, whose issuance fell 30.3 percent, from approximately \$5.4 billion in 2007 to \$3.8 billion in 2008. In all, 35 States reduced the amount of new money long-term governmental bonds issued from 2007 to 2008, by \$53.6 billion.

New York experienced the largest absolute increase (24.0 percent) in new money long-term governmental bond issues, from slightly more than \$12.3 billion in 2007 to \$15.3 billion in 2008. Maryland also experienced a significant increase (23.2 percent) in new long-term governmental bond issues from \$3.2 billion in 2007 to \$3.9 billion in 2008. In all, 17

States increased the amount of new money long-term governmental bonds issued from 2007 to 2008, by nearly \$7.4 billion.

Figures C1 and C2 present the amount of bonds issued for the top 15 States, in terms of total dollar volume of new money long-term tax-exempt bonds issued for 2008, for both governmental and private activity bond issuances. Combined, the top 15 States accounted for 72.2 percent of the total \$153.8 billion of new money long-term governmental bond issues for the year. About \$69.2 billion (45.0 percent) of the total were issued by authorities in the following five States: Texas (14.0 percent), California (10.4 percent), New York (10.0 percent), Florida (6.9 percent), and Illinois (3.8 percent). According to 2008 Census estimates, together, these five States accounted for almost 36.7 percent of the total U.S. population.<sup>10</sup>

An examination of issuance by State reveals some differences in the allocation of proceeds by bond purpose. Overall, for 2008, 32.7 percent of the \$153.8 billion of new money long-term governmental bonds was issued for educational purposes. However, of the total amount of new money long-term bonds issued in Texas, 50.8 percent was issued

<sup>10</sup> The resident population estimates for July 1, 2008, were produced by the U.S. Bureau of the Census and are available at <http://www.census.gov/popest/states/NST-ann-est.html>.

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**Figure C1**

## New Money Long-Term Governmental Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Governmental Bond Issuance, 2008

[Money amounts are in millions of dollars]

State of issue	Total	Selected bond purpose									
		Education		Other purposes [1]		Transportation		Utilities		Environment	
	Amount	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Total, All States</b>	<b>153,771</b>	<b>50,313</b>	<b>32.7</b>	<b>43,281</b>	<b>28.1</b>	<b>22,208</b>	<b>14.4</b>	<b>20,722</b>	<b>13.5</b>	<b>8,509</b>	<b>5.5</b>
Texas	21,593	10,962	50.8	3,022	14.0	3,656	16.9	2,882	13.3	215	1.0
California	15,918	5,510	34.6	5,331	33.5	1,098	6.9	2,706	17.0	546	3.4
New York	15,310	4,392	28.7	5,492	35.9	3,012	19.7	993	6.5	204	1.3
Florida	10,594	2,725	25.7	4,455	42.1	732	6.9	1,765	16.7	666	6.3
Illinois	5,770	1,847	32.0	1,240	21.5	1,659	28.8	603	10.5	252	4.4
Arizona	5,688	1,755	30.9	1,285	22.6	858	15.1	833	14.6	d	d
Pennsylvania	5,171	1,933	37.4	958	18.5	1,291	25.0	51	1.0	585	11.3
Georgia	4,813	1,282	26.6	689	14.3	791	16.4	925	19.2	797	16.6
Washington	4,390	741	16.9	1,531	34.9	949	21.6	954	21.7	19	0.4
Virginia	4,199	1,359	32.4	1,381	32.9	190	4.5	238	5.7	587	14.0
Maryland	3,891	1,231	31.6	244	6.3	1,632	41.9	221	5.7	368	9.5
North Carolina	3,767	1,269	33.7	883	23.4	120	3.2	881	23.4	111	2.9
Ohio	3,597	574	16.0	776	21.6	644	17.9	982	27.3	525	14.6
New Jersey	3,365	1,022	30.4	608	18.1	1,444	42.9	117	3.5	112	3.3
Minnesota	2,981	879	29.5	1,279	42.9	179	6.0	249	8.4	150	5.0

**Figure C2**

## New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Tax-Exempt Private Activity Bond Issuance, 2008

[Money amounts are in millions of dollars]

State of issue	Total	Selected bond purpose									
		Qualified section 501(c)(3) nonhospital		Qualified hospital		Qualified mortgage		Qualified residential rental		All other bonds, combined [2]	
	Amount	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Total, All States</b>	<b>52,488</b>	<b>18,600</b>	<b>35.4</b>	<b>12,743</b>	<b>24.3</b>	<b>5,076</b>	<b>9.7</b>	<b>4,573</b>	<b>8.7</b>	<b>4,150</b>	<b>7.9</b>
California	5,488	1,786	32.5	553	10.1	639	11.6	1,158	21.1	0	0.0
New York	5,398	2,654	49.2	612	11.3	291	5.4	1,031	19.1	368	6.8
Pennsylvania	3,030	1,718	56.7	567	18.7	d	d	d	d	0	0.0
Louisiana	2,453	94	3.8	d	d	d	d	35	1.4	2,093	85.3
Massachusetts	2,408	1,414	58.7	552	22.9	160	6.6	98	4.1	d	d
Texas	2,212	920	41.6	224	10.1	0	0.0	143	6.5	d	d
Ohio	2,197	360	16.4	1,246	56.7	357	16.2	73	3.3	0	0.0
New Jersey	2,089	622	29.8	567	27.1	d	d	d	d	d	d
Florida	2,058	878	42.7	194	9.4	d	d	195	9.5	0	0.0
Illinois	1,902	448	23.6	1,161	61.0	0	0.0	156	8.2	0	0.0
Virginia	1,726	358	20.7	485	28.1	d	d	79	4.6	d	d
Missouri	1,638	404	24.7	832	50.8	d	d	d	d	d	d
Georgia	1,530	956	62.5	379	24.8	d	d	88	5.8	0	0.0
Maryland	1,269	613	48.3	392	30.9	113	8.9	113	8.9	0	0.0
Minnesota	1,069	430	40.2	477	44.6	d	d	42	3.9	d	d

d - Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] For purposes of this figure, "other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G. It does not include specific purposes, such as public safety and housing, that are not shown separately in the figure. See Table 1.

[2] For purposes of this figure, certain bond purposes were combined. For this reason, data in this figure will differ slightly from the data in Tables 8 and 9.

NOTE: Detail may not add to totals because of rounding.

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for education. In contrast, 28.7 percent of long-term governmental bonds issued in New York and 16.0 percent in Ohio were for the same purpose.

Transportation projects accounted for 14.4 percent of States' total new money long-term proceeds. In New Jersey, however, 42.9 percent of the total new money long-term governmental bond proceeds were for transportation, while in North Carolina, only 3.2 percent was allocated for the same purpose. Transportation bonds accounted for only 4.5 percent of Virginia's total amount of new money long-term bond issues.

Pennsylvania allocated 1.0 percent of its total amount of new money long-term bonds to utility projects, considerably less than the U.S. total (13.5 percent). In contrast, Ohio and North Carolina each spent a large portion of their total allocation on utility projects—27.3 percent and 23.4 percent, respectively.

Total new money long-term tax-exempt private activity bond volume decreased by \$34.1 billion (39.4 percent) from 2007 to 2008. California experienced the largest absolute decrease in new money long-term tax-exempt private activity bond issuance, from \$10.5 billion in 2007 to approximately \$5.5 billion in 2008. States with significant relative decreases in new money long-term tax-exempt private activity bonds from 2007 to 2008 included Texas, whose issuance fell 47.9 percent, from \$5.1 billion in 2007 to \$2.2 billion in 2008; New York, whose issuance fell 34.1 percent, from \$8.2 billion in 2007 to \$5.4 billion in 2008; and Illinois, whose issuance fell 49.7 percent, from \$3.8 billion in 2007 to \$1.9 billion in 2008. For the 45 States that reduced their issuance of new money long-term tax-exempt private activity bonds in 2008, the overall reduction totaled \$35.6 billion.

New Jersey experienced the largest relative increase (25.3 percent) in new money long-term tax-exempt private activity bond issues, from nearly \$1.7 billion in 2007 to \$2.1 billion in 2008. States with significant increases in new money long-term tax-exempt private activity bond issues from 2007 to 2008 included Missouri, whose issuance increased 17.4 percent, from \$1.4 billion in 2007 to \$1.6 billion in 2008; and Virginia, whose issuance increased 6.9 percent from \$1.6 billion in 2007 to \$1.7 billion in 2008. In all, six States increased their issuance of new money long-term tax-exempt private activity bonds from 2007 to 2008, by \$1.1 billion.

Combined, the top 15 States accounted for 69.5 percent of the total \$52.5 billion of new money long-term tax-exempt private activity bond issues for the year. Almost \$18.8 billion (35.8 percent of the total) was issued by authorities in the following five States: California (10.5 percent), New York (10.3 percent), Pennsylvania (5.8 percent), Louisiana (4.7 percent), and Massachusetts (4.6 percent). According to 2008 Census estimates, together, these five States accounted for almost 26.2 percent of the total U.S. population.

Similar to governmental bond issuance, there were differences in the composition of total new money long-term tax-exempt private activity bond issuance, by purpose, among the States. Examining the bond allocations by purpose for 2008, overall, 35.4 percent of the amount of new money long-term private activity bonds was issued for qualified IRC section 501(c)(3) nonhospital organizations. Another 24.3 percent was issued for qualified hospital bonds.

Of the total amount of new money long-term tax-exempt private activity bonds issued in Georgia, 62.5 percent was issued for IRC section 501(c)(3) nonhospital organizations, compared to 16.4 percent in Ohio and 3.8 percent in Louisiana for the same purpose. Qualified hospital bonds accounted for 61.0 percent of Illinois' new money long-term tax-exempt private activity bond issues, compared to 10.1 percent in both California and Texas. Of the top 15 States, Florida had the lowest total issuance for qualified hospitals in both dollar amount (\$194 million) and percent (9.4 percent) of its State total.

Qualified mortgage bonds accounted for 9.7 percent of all new money long-term tax-exempt private activity bonds issued in 2008, totaling almost \$5.1 billion. Ohio committed 16.2 percent of its total new money long-term private activity bond issuance toward qualified mortgages; in contrast, Texas and Illinois issued no new money long-term qualified mortgage bonds.

Together, States allocated only 8.7 percent of the \$52.5 billion of new money long-term tax-exempt private activity bonds in 2008 for qualified residential rental projects. However, both California and New York directed a much larger share of their total new money long-term proceeds to this purpose, 21.1 percent and 19.1 percent, respectively.

Tax-exempt private activity bonds are subject to State volume limitations, or volume caps. Most

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types of private activity bonds are subject to the unified State volume cap, which limits the aggregate dollar amount of bonds that each State can issue annually. For each of the qualified issue types subject to the unified volume cap, there is no specific limit on the dollar amount of issuance; rather, each State must allocate issuance authority in such a way that the combined issuance does not exceed the annual volume cap. The unified State volume cap is adjusted annually for population growth and is also indexed for inflation.<sup>11</sup> Other types of private activity bonds are subject to separate volume limitations based on the specific bond purpose, or types of projects being financed. Refunding bonds are not subject to volume cap limitations, as long as there is no increase in the principal amount of the outstanding bond. Issuers can elect to carry forward unused volume cap for a specified bond purpose, and bonds issued with respect to the specified bond purpose during the following 3 calendar years are not subject to the volume cap.

Figure D shows the total amount of new money long-term tax-exempt private activity bond issuance, new issues subject to the unified State volume cap, amounts applied from prior-year carryforward elections, and volume cap allocations, by State, for 2008. States issued \$14.9 billion of new money private activity bonds that were subject to unified State volume cap. States elected to apply a total of \$6.1 billion of volume cap carried forward from previous years. Each of the States used some amount of carryforward in 2008. Total current-year volume cap allocation for all States was \$28.8 billion. None of the States exhausted its current-year volume cap allocation, and, therefore, will have amounts to carry forward to future years.

Unlike private activity bonds, governmental bonds are generally not subject to the volume cap; however, if more than \$15 million of the proceeds of an issue are used in private use or disproportionate use, then the amount in excess of \$15 million is subject to the volume cap, and the issuer is required to report the amount of the State volume cap allocated to the governmental issue.<sup>12, 13</sup> For 2008, issuers re-

ported allocating a combined \$38.4 million of State volume cap to the total \$334.4 billion of governmental bond issues. This indicates some private business involvement, but not in an amount sufficient to satisfy the 10-percent private activity use criteria for each governmental bond issue.

### Summary

More than 24,000 tax-exempt governmental bonds were issued in 2008, raising \$334.4 billion in proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the \$271.7 billion of long-term governmental bonds issued, \$153.8 billion of proceeds were used to finance new projects, while the remaining \$117.9 billion of proceeds refunded prior governmental bond issues. In addition, more than 3,400 tax-exempt private activity bonds were issued in 2008, for a total \$135.0 billion in proceeds. These tax-exempt private activity bond proceeds financed qualified private facilities (such as residential rental facilities, single family housing, and airports), as well the facilities of Internal Revenue Code section 501(c)(3) organizations (such as hospitals and private universities). Of the \$132.8 billion of long-term private activity bonds issued, \$52.5 billion of proceeds were used to finance new projects, while the remaining \$80.3 billion of proceeds refunded prior tax-exempt private activity bond issues.

### Data Sources and Limitations

The data presented in this article are based on the populations of Forms 8038 and Forms 8038-G filed with the Internal Revenue Service for bonds issued during Calendar Year 2008. The data exclude returns filed for commercial paper transactions, as well as issues that are loans from the proceeds of another tax-exempt bond issue (pooled financings). Additionally, except where specifically mentioned, the data exclude returns filed for tax credit bonds, which are treated separately for the purpose of this article.

Bond issuers were required to file these tax-exempt bond information returns by the 15<sup>th</sup> day of the second calendar month after the close of the calendar

<sup>11</sup> For 2008, the volume cap was the greater of \$85 per capita or \$262,095,000. Volume caps for U.S. possessions, with the exception of Puerto Rico, are determined under IRC section 146(d)(4).

<sup>12</sup> Disproportionate use occurs when the proceeds to be used for the private business use exceed the amount of proceeds used for the related governmental use.

<sup>13</sup> IRC section 141(b)(5) states that a governmental bond will be treated as a private activity bond if: (1) the "nonqualified amount" exceeds \$15 million, but is less than the amount needed to meet any of the private activity bond tests; and (b) the issuer does not allocate a portion of its volume cap to the issue in an amount equal to the excess of such nonqualified amount greater than \$15 million.

**Figure D**

## New Money Long-Term Tax-Exempt Private Activity Bonds, Carryforward, and Volume Cap, by State of Issue, 2008

[Money amounts are in millions of dollars]

State of issue	Total amount of bonds issued	Amount subject to the unified State volume cap [1]	Amount not subject to the volume cap under a carryforward election [2]	Total volume cap allocation [3]
	(1)	(2)	(3)	(4)
<b>Total, All States</b>	<b>52,487.5</b>	<b>14,907.3</b>	<b>6,052.0</b>	<b>28,843.3</b>
Alabama	768.1	202.6	164.0	393.4
Alaska	191.8	d	d	262.1
Arizona	1,044.8	146.0	d	538.8
Arkansas	165.2	50.4	d	262.1
California	5,487.9	2,361.9	942.2	3,107.0
Colorado	826.6	137.0	d	413.2
Connecticut	610.8	199.0	d	297.7
Delaware	161.3	115.2	d	262.1
District of Columbia	726.3	65.3	60.2	262.1
Florida	2,058.2	602.4	530.9	1,551.4
Georgia	1,530.3	189.3	103.1	811.3
Hawaii	d	d	d	d
Idaho	370.3	175.4	133.8	262.1
Illinois	1,902.0	283.8	175.3	1,092.5
Indiana	903.5	365.2	d	539.3
Iowa	475.9	90.1	d	262.1
Kansas	215.6	91.6	d	262.1
Kentucky	803.7	253.9	d	360.5
Louisiana	2,452.7	227.0	92.6	364.9
Maine	253.1	137.0	126.8	262.1
Maryland	1,269.4	264.1	204.8	477.6
Massachusetts	2,408.1	442.2	d	548.2
Michigan	630.8	144.7	d	856.1
Minnesota	1,069.3	161.3	d	441.8
Mississippi	629.1	69.0	d	262.1
Missouri	1,637.7	398.7	d	499.7

Footnotes at end of figure.

quarter in which the bond was issued. However, in an effort to include as many applicable returns for a particular issue year as possible, the study period extended well beyond this timeframe. The study includes returns processed from January 1, 2008, to May 2, 2010, for bonds issued in 2008. Where possible, data from amended returns filed and processed before the cutoff date were included. Late-filed returns for tax-exempt bonds issued during 2008 processed after the cutoff date were not included in the statistics.

During statistical processing, returns were subject to thorough testing and correction procedures to ensure data accuracy and validity. Additional checks were conducted to identify and exclude duplicate returns. Wherever possible, returns with incomplete information, mathematical errors, or other reporting

anomalies were edited to resolve internal inconsistencies. However, in other cases, it was not possible to reconcile reporting discrepancies. Thus, some reporting and processing error may remain.

### Explanation of Selected Terms

**Commercial paper**—Commercial paper consists of short-term notes that are continually rolled-over. Maturities average about 30 days but can extend up to 270 days. Many localities use commercial paper to raise cash needed for current transactions.

**Enterprise Zone facility bond**—Established by the passage of the Revenue Reconciliation Act of 1993, this type of exempt facility bond may be issued for certain businesses in “empowerment zones” or “enterprise communities.” Empowerment Zone and Enterprise Community designations are made by the

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Figure D—Continued

## New Money Long-Term Tax-Exempt Private Activity Bonds, Carryforward, and Volume Cap, by State of Issue, 2008—Continued

[Money amounts are in millions of dollars]

State of issue	Total amount of bonds issued	Amount subject to the unified State volume cap [1]	Amount not subject to the volume cap under a carryforward election [2]	Total volume cap allocation [3]
	(1)	(2)	(3)	(4)
Montana	538.5	360.8	208.1	256.2
Nebraska	657.4	566.7	500.0	256.2
Nevada	815.9	302.4	135.9	256.2
New Hampshire	554.4	265.7	83.1	256.2
New Jersey	1,666.7	730.3	796.3	741.6
New Mexico	323.2	278.5	63.6	256.2
New York	8,192.6	2,020.0	645.5	1,641.0
North Carolina	1,434.6	826.0	359.0	752.8
North Dakota	440.9	362.7	305.2	256.2
Ohio	2,638.3	942.3	330.5	975.6
Oklahoma	461.4	298.6	33.0	304.2
Oregon	656.6	226.0	161.8	314.6
Pennsylvania	4,533.4	1,283.7	508.8	1,057.5
Rhode Island	357.1	262.2	262.6	256.2
South Carolina	862.5	383.0	48.3	367.3
South Dakota	386.5	290.5	240.7	256.2
Tennessee	1,787.3	1,260.5	1,036.6	513.3
Texas	5,079.1	1,848.0	264.3	1,998.2
Utah	602.1	292.4	112.8	256.2
Vermont	349.9	274.6	27.6	256.2
Virginia	1,614.2	789.1	561.4	649.6
Washington	2,380.2	761.4	128.3	543.6
West Virginia	400.3	248.1	196.8	256.2
Wisconsin	1,190.7	526.1	275.5	472.3
Wyoming	315.7	306.7	215.7	256.2
U.S. Possessions [4]	d	d	d	d

d -Data deleted to avoid disclosure of information for specific bonds when compared to other published data. However, the data are included in the appropriate totals.

[1] These calculations are based on the data reported on Part II of Form 8038, for type of issue, and include the following: mass commuting facilities, water furnishing facilities, sewage facilities, solid waste disposal facilities, qualified residential rental projects, local electric energy or gas furnishing facilities, local district heating and cooling facilities, qualified hazardous waste facilities, high-speed intercity rail facilities, qualified mortgage bonds, qualified small issue bonds, qualified student loan bonds, and qualified redevelopment bonds.

No distinction was made for governmentally-owned solid waste or high-speed intercity rail facilities (which are not subject to the volume cap). As a result, figures could be slightly different. [2] As reported on Form 8038, line 44b. An issuing authority can elect to carry forward its unused volume cap for one or more carryforward purposes (see IRC section 146(f)). If the election is made, bonds issued with respect to a specified carryforward purpose are not subject to the volume cap under IRC section 146(a) during the 3 calendar years following the calendar year in which the carryforward arose, but only to the extent that the amount of such bonds does not exceed the amount of the carryforward elected for that purpose.

[3] The volume cap amount was calculated based on State population estimates produced by the U.S. Bureau of the Census and published in Internal Revenue Bulletin Number 2008-8 (Notice 2008-22). For 2008, the volume cap was the greater of \$85 per capita or \$262.1 million.

[4] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

NOTE: Detail may not add to totals because of rounding.

Secretaries of Agriculture and Housing and Urban Development and last for a 10-year period. The Taxpayer Relief Act of 1997 provided certain economically depressed census tracts within the District of Columbia designation as the "District of Columbia Enterprise Zone." Qualified enterprise zone facility bonds are generally subject to the same rules as exempt facility bonds.

**Exempt facility bond**—Bond issue of which 95 percent or more of the net proceeds is used to finance a tax-exempt facility (as listed in IRC sections 142(a) (1) through (15) and 142(k)). These facilities include

airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, qualified residential rental projects, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, qualified hazardous waste facilities, high-speed intercity rail facilities, environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities.

**Governmental bond**—Any obligation issued by a State or local government unit that is not a private activity bond (see below). The interest on a govern-

mental bond is excluded from gross income under IRC section 103.

**Gulf Opportunity Zone bond**—The Gulf Opportunity Zone Act of 2005, signed into law as Public Law 109-135 on December 21, 2005, authorized a new category of tax-exempt bonds. The proceeds of such bonds are used to finance the construction and rehabilitation of certain residential and nonresidential property located in certain localities in Alabama, Louisiana, and Mississippi, designated as the “Gulf Opportunity Zone.” This area constitutes the portion of the Hurricane Katrina disaster area determined by the President to warrant individual or individual and public assistance from the Federal government, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

IRC section 1400N(a)(2) defines a qualified Gulf Opportunity Zone Bond as any bond issued as part of an issue if it meets the following requirements: (1) 95 percent or more of the net proceeds is to be used for qualified project costs, or such issue meets the requirements of a qualified mortgage issue, except as otherwise provided in IRC section 1400N(a); (2) such bond is issued by the State of Alabama, Louisiana, or Mississippi or any political subdivision thereof; (3) such bond is designated for purposes of IRC section 1400N(a) either by the Governor, or approved bond commission, of such State; (4) the bond is issued after December 21, 2005, and before January 1, 2011; and (5) no portion of the proceeds of such issue is to be used to provide any property described in IRC section 144(c)(6)(B).

Gulf Opportunity Zone bonds that meet the general requirements of a qualified mortgage bond issue, and the proceeds of such bond issues that finance residences located in the Gulf Opportunity Zone, shall be treated as qualified mortgage bonds (“Gulf Opportunity Zone Mortgage Bonds”), as described in IRC section 1400N(a)(2)(A)(ii). The Act also authorized the issuance of “Gulf Opportunity Zone Advance Refunding Bonds,” which allow for an additional advance refunding for certain bonds, issued by the States of Alabama, Louisiana, or Mississippi (or any political subdivision thereof), and outstanding on August 28, 2005. This provision was effective for bonds issued between December 21, 2005, and January 1, 2011. (See Internal Revenue Service Notice 2006-41, *Internal Revenue Bulletin* 2006-18, for additional information.)

**New York Liberty Zone bonds**—The Job Creation and Worker Assistance Act of 2002 created Section 1400L of the Internal Revenue Code of 1986 to provide various tax benefits for the area of New York City damaged or affected by the terrorist attack on September 11, 2001. IRC section 1400L(d) authorizes the issuance of an additional type of exempt facility bond, namely, “Liberty Bonds.” Liberty Bonds are subject to the following additional requirements: (1) 95 percent or more of the net proceeds of such issue must be used for qualified project costs; (2) the bond must be issued by the State of New York or any political subdivision thereof; (3) the Governor of the State of New York or the Mayor of the City of New York must designate the bond for purposes of section 1400L(d); and (4) the bond must be issued after March 9, 2002, and before January 1, 2005. The maximum aggregate face amount of bonds that may be designated as Liberty Bonds is \$8 billion.

**Nongovernmental output property bond**—Bonds used to finance the acquisition of property used by a nongovernmental entity in connection with an output facility (such as an electric or gas power project). This bond must meet additional tests under IRC section 141(d).

**Pooled financing**—An arrangement whereby a portion of the proceeds of a governmental bond issue is used to make loans to other governmental units.

**Private activity bond**—Bond issue of which more than 10 percent of the proceeds is used for any private business use, and more than 10 percent of the payment of the principal or interest is either secured by an interest in property to be used for private business use (or payment for such property), or is derived from payments for property (or borrowed money) used for a private business use. A bond is also considered a private activity bond if the amount of the proceeds used to make or finance loans (other than loans described in IRC section 141(c)(2)) to persons other than governmental units exceeds the lesser of 5 percent of the proceeds or \$5 million.

**Qualified green building and sustainable design project**—Bond issue of which 95 percent or more of the net proceeds is used to finance qualified green building and sustainable design projects, as designated by the Secretary of the Treasury, after consultation with the Administrator of the Environmental Protection Agency. The project must be nominated by a State or local government, and the issuer must

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submit a detailed application to the Treasury Department for consideration, and, on approval, allocation of a specified issuance amount. Section 701 of the American Jobs Creation Act of 2004 added IRC sections 142(a)(14) and 142(l), authorizing up to \$2 billion of tax-exempt private activity bonds, not subject to the unified volume cap, for qualified green building and sustainable design projects, to be issued between December 31, 2004, and October 1, 2009. (See Internal Revenue Service Notice 2006-41, *Internal Revenue Bulletin* 2006-18, for additional information.)

**Qualified highway or surface transfer freight facility bond**—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified highway or surface freight transfer facilities. Section 11143 of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Public Law 109-59, signed into law on August 10, 2005, added IRC sections 142(a)(15) and 142(m). Section 142(m)(1) defines the term “qualified highway or surface freight transfer facilities” as: (a) any surface transportation project that receives Federal assistance under title 23, United States Code (as in effect on August 10, 2005); (b) any project for an international bridge or tunnel for which an international entity authorized under Federal or State law is responsible and that receives Federal assistance under title 23, United States Code (as so in effect); or, (c) any facility for the transfer of freight from truck to rail or rail to truck (including any temporary storage facilities directly related to such transfers) that receives Federal assistance under either title 23 or title 49, United States Code (as so in effect). This legislation authorized issuance of up to \$15 billion of such bonds, not subject to the unified volume cap, applicable to bonds issued after August 10, 2005. Allocation of the \$15-billion national limitation is under the jurisdiction of the Department of Transportation. (See Internal Revenue Service Notice 2006-45, *Internal Revenue Bulletin* 2006-20, for additional information.)

**Qualified mortgage bond**—Bond issue of which the proceeds (except issuance costs and reasonably required reserves) are used to provide financing assistance for single-family residential property, and which meets the additional requirements in IRC section 143. Bond proceeds can be applied toward the purchase, improvement, or rehabilitation of owner-

occupied residences, as well as to finance qualified home-improvement loans.

**Qualified public educational facility bond**—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified public educational facilities, defined by IRC section 142(k)(1) as any school facility that is: (a) part of a public elementary or secondary school; and (b) is owned by a private, for-profit corporation under a public-private partnership agreement with a State or local educational agency. Under a “public-private partnership agreement,” the corporation agrees to construct, rehabilitate, refurbish, or equip a school facility and, at the end of the term of the agreement, to transfer the school facility to the State or local educational agency for no additional consideration. Such bonds are not subject to the unified volume cap; rather, the annual State limit is equal to the lesser of \$10 per resident or \$5 million.

**Qualified redevelopment bond**—Bond issue of which 95 percent or more of the net proceeds is used to finance certain specified real property acquisition and redevelopment in blighted areas (see IRC section 144(c) for additional requirements).

**Qualified section 501(c)(3) bond**—Bonds issued by State and local governments to finance the activities of charitable organizations that are tax exempt under IRC section 501(c)(3). A bond must meet the following conditions to be classified as a section 501(c)(3) bond: 1) all property financed by the net proceeds of the bond issue is to be owned by a section 501(c)(3) organization or a governmental unit; and 2) the bond would not be a private activity bond if section 501(c)(3) organizations were treated as governmental units with respect to their activities that are not related trades or businesses, and the private activity bond definition was applied using a 5-percent threshold rather than a 10-percent threshold. The primary beneficiaries of these bonds are private, nonprofit hospitals, colleges, and universities. A qualified hospital bond issue is one in which 95 percent or more of the net proceeds is to be used for a hospital.

**Qualified small issue bond**—Bond issue generally not exceeding \$1 million, and of which 95 percent or more of the net proceeds is used to finance the acquisition of land and depreciable property or to refund such issues. In certain instances, an election to take certain capital expenditures into account

can increase the limit on bond size, from \$1 million to \$10 million. These bonds may only be used to finance manufacturing facilities and to benefit certain first-time farmers.

*Qualified student loan bond*—Bond issue of which 90 percent or more of the net proceeds is used to make or finance student loans under a program of general application subject to the Higher Education Act of 1965 (see IRC section 144(b)(1)(A) for additional requirements), or of which 95 percent or more of the net proceeds is used to make or finance student loans under a program of general application approved by the State (see Code section 144(b)(1)(B) for additional requirements).

*Qualified veterans' mortgage bond*—In general, a bond issue of which 95 percent or more of the net proceeds is used to finance the purchase, improvement, or rehabilitation of owner-occupied residences for veterans who: 1) served prior to January 1, 1977; and, 2) applied for such a mortgage prior to the date

30 years after leaving active service or January 31, 1985, whichever is later. The payment of interest and principal must be secured by a general obligation of the State, and the bond must meet certain of the requirements of IRC section 143. The issuance of qualified veterans' mortgage bonds was limited to the following five states: Alaska, California, Oregon, Texas, and Wisconsin, each of which had a veterans' mortgage bond program in effect prior to June 22, 1984.

*Tax Reform Act transition property bond*—A bond issued under transitional rules contained in the Tax Reform Act of 1986. Proceeds from bonds issued under these rules include issues used to fund such items as pollution control facilities, parking facilities, industrial parks, sports stadiums, and convention facilities. Proceeds from other bonds issued under the transitional rules are included in this category only if they could not be identified as another issue type.

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**Table 1. Tax-Exempt Governmental Bonds, by Type and Term of Issue, 2008**

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
<b>All issues, total [1]</b>	<b>24,275</b>	<b>334,373</b>
Short-term	6,780	62,688
Long-term	17,495	271,685
<b>New money issues, total</b>	<b>19,754</b>	<b>206,027</b>
Short-term	5,070	52,256
Long-term	14,684	153,771
<b>Refunding issues, total</b>	<b>6,535</b>	<b>128,346</b>
Short-term	2,375	10,432
Long-term	4,160	117,914

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.

NOTE: Detail may not add to totals because of rounding.

**Table 2. Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Type of Issue, 2008**

[Money amounts are in millions of dollars]

Bond purpose	All issues		New money issues		Refunding issues	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total [1]</b>	<b>17,495</b>	<b>271,685</b>	<b>14,684</b>	<b>153,771</b>	<b>4,160</b>	<b>117,914</b>
Education	5,840	78,011	4,810	50,313	1,401	27,698
Health and hospital	388	7,128	319	2,808	102	4,320
Transportation	1,240	41,826	1,048	22,208	319	19,618
Public safety	2,210	6,774	2,090	3,994	235	2,780
Environment	1,261	15,902	984	8,509	466	7,393
Housing	99	664	67	296	39	368
Utilities	2,059	48,438	1,573	20,722	813	27,716
Bond and tax/revenue anticipation notes	367	1,994	323	1,640	95	354
Other purposes [2]	5,237	70,948	4,412	43,281	1,331	27,667

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Governmental Obligations Bonds*.

NOTE: Detail may not add to totals because of rounding.

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**Table 3. Computation of Lendable Proceeds for Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose, 2007**

[Money amounts are in millions of dollars]

Bond purpose	Entire issue price		Bond issuance costs		Credit enhancement		Allocation to reserve fund	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total [1]</b>	<b>17,495</b>	<b>271,685</b>	<b>10,316</b>	<b>2,283</b>	<b>2,428</b>	<b>683</b>	<b>1,149</b>	<b>2,707</b>
Education	5,840	78,011	3,570	670	1,098	168	182	211
Health and hospital	388	7,128	198	54	34	11	31	91
Transportation	1,240	41,826	809	318	168	104	99	605
Public safety	2,210	6,774	710	75	123	20	49	53
Environment	1,261	15,902	887	116	171	42	122	225
Housing	99	664	59	5	d	d	d	d
Utilities	2,059	48,438	1,663	419	414	203	319	782
Bond and tax/revenue anticipation notes	367	1,994	269	9	d	d	d	d
Other purposes [2]	5,237	70,948	3,272	617	679	133	376	734

Bond purpose	Total lendable proceeds		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
<b>Total [1]</b>	<b>17,495</b>	<b>266,012</b>	<b>4,160</b>	<b>115,584</b>	<b>14,684</b>	<b>150,428</b>
Education	5,840	76,963	1,401	27,369	4,810	49,593
Health and hospital	388	6,972	102	4,236	319	2,736
Transportation	1,240	40,799	319	19,045	1,048	21,754
Public safety	2,210	6,625	235	2,726	2,090	3,899
Environment	1,261	15,520	466	7,284	984	8,236
Housing	99	651	39	364	67	287
Utilities	2,059	47,034	813	27,051	1,573	19,983
Bond and tax/revenue anticipation notes	367	1,984	95	351	323	1,633
Other purposes [2]	5,237	69,464	1,331	27,158	4,412	42,306

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, Informational Return for Tax-Exempt Governmental Obligations Bonds.

NOTE: Detail may not add to totals because of rounding.

# Tax-Exempt Bonds, 2008

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**Table 4. New Money Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Size of Entire Issue, 2008**

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Bond purpose	All issues		Size of entire issue					
			Under \$500,000 [1]		\$500,000 under \$1,000,000		\$1,000,000 under \$5,000,000	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total [2]</b>	<b>14,684</b>	<b>153,771</b>	<b>5,610</b>	<b>1,318</b>	<b>1,796</b>	<b>1,227</b>	<b>3,562</b>	<b>8,248</b>
Education	4,810	50,313	1,745	412	565	388	1,022	2,318
Health and hospital	319	2,808	94	21	38	28	89	193
Transportation	1,048	22,208	361	77	98	63	277	518
Public safety	2,090	3,994	1,232	282	276	186	319	587
Environment	984	8,509	228	54	120	74	330	655
Housing	67	296	10	2	14	8	16	31
Utilities	1,573	20,722	320	83	174	109	565	1,149
Bond and tax/revenue anticipation notes	323	1,640	48	15	57	39	147	344
Other purposes [3]	4,412	43,281	1,621	372	494	332	1,115	2,454

Bond purpose	Size of entire issue—continued							
	\$5,000,000 under \$10,000,000		\$10,000,000 under \$25,000,000		\$25,000,000 under \$75,000,000		\$75,000,000 or more	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Total [2]</b>	<b>1,474</b>	<b>9,833</b>	<b>1,020</b>	<b>14,117</b>	<b>747</b>	<b>28,144</b>	<b>475</b>	<b>90,884</b>
Education	538	3,703	436	6,011	338	12,143	166	25,338
Health and hospital	38	227	22	287	14	342	24	1,710
Transportation	106	498	67	643	57	1,553	82	18,856
Public safety	114	570	73	616	55	1,232	21	522
Environment	120	637	78	829	61	1,775	47	4,485
Housing	15	92	3	36	d	d	d	d
Utilities	222	1,143	117	1,428	95	3,052	80	13,759
Bond and tax/revenue anticipation notes	39	222	26	228	d	d	d	d
Other purposes [3]	465	2,741	331	4,039	245	7,870	141	25,473

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] Form 8038-G, Informational Return for Tax-Exempt Governmental Obligations Bonds, with an entire issue price less than \$100,000 are excluded from the study. Issuers of these bonds are instructed to file Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales. Statistics of Income (SOI) does not process data from Forms 8038-GC filed with the Internal Revenue Service.

[2] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[3] "Other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Governmental Obligations Bonds*.

NOTE: Detail may not add to totals because of rounding.

# Tax-Exempt Bonds, 2008

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**Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2008**

[Money amounts are in millions of dollars]

State of issue	Bond purpose									
	Total [1]		Education		Health and hospital		Transportation		Public safety	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All States</b>	<b>14,684</b>	<b>153,771</b>	<b>4,810</b>	<b>50,313</b>	<b>319</b>	<b>2,808</b>	<b>1,048</b>	<b>22,208</b>	<b>2,090</b>	<b>3,994</b>
Alabama	254	1,131	50	521	6	11	21	37	27	12
Alaska	30	308	11	105	0	0	d	d	d	d
Arizona	274	5,688	128	1,755	d	d	17	858	41	413
Arkansas	202	642	94	354	d	d	7	8	15	18
California	954	15,918	335	5,510	30	383	76	1,098	106	288
Colorado	262	2,816	74	842	6	39	16	74	46	65
Connecticut	113	2,354	43	137	d	d	19	352	35	41
Delaware	27	489	d	d	0	0	11	174	7	17
District of Columbia	12	432	0	0	0	0	d	d	0	0
Florida	338	10,594	59	2,725	4	52	23	732	59	158
Georgia	398	4,813	92	1,282	d	d	9	791	75	165
Hawaii	12	725	0	0	d	d	d	d	0	0
Idaho	72	563	16	165	0	0	5	182	11	25
Illinois	857	5,770	425	1,847	7	14	50	1,659	71	149
Indiana	378	2,007	147	1,208	3	5	20	39	74	115
Iowa	365	1,215	94	382	d	d	23	34	22	59
Kansas	257	1,123	80	511	8	19	34	50	16	31
Kentucky	243	1,815	122	616	0	0	13	172	d	d
Louisiana	181	1,012	31	368	15	72	10	85	48	78
Maine	125	442	53	56	0	0	22	153	d	d
Maryland	153	3,891	38	1,231	9	69	17	1,632	35	95
Massachusetts	239	1,734	76	451	d	d	d	d	57	45
Michigan	463	2,393	159	1,310	16	34	32	80	50	88
Minnesota	573	2,981	135	879	6	35	46	179	31	160
Mississippi	243	1,147	40	320	d	d	14	14	42	14
Missouri	380	1,799	144	714	13	37	49	274	37	41
Montana	63	176	19	71	d	d	4	49	d	d
Nebraska	473	914	54	192	12	15	29	10	36	32
Nevada	50	2,465	10	859	0	0	4	180	5	16
New Hampshire	77	428	22	17	0	0	9	18	15	12
New Jersey	385	3,365	211	1,022	11	5	7	1,444	69	43
New Mexico	145	1,486	48	344	6	114	8	216	32	22
New York	743	15,310	374	4,392	9	441	44	3,012	92	53
North Carolina	514	3,767	69	1,269	10	174	18	120	161	317
North Dakota	138	357	36	76	d	d	10	9	0	0
Ohio	376	3,597	128	574	5	35	30	644	57	45
Oklahoma	381	1,838	279	762	11	34	14	151	16	21
Oregon	131	1,356	50	347	d	d	8	135	18	39
Pennsylvania	661	5,171	232	1,933	d	d	35	1,291	110	149
Rhode Island	35	328	7	125	0	0	d	d	8	3
South Carolina	226	1,381	52	396	6	64	d	d	62	88
South Dakota	68	304	16	54	d	d	5	2	6	17
Tennessee	199	1,734	42	292	4	61	d	d	32	48
Texas	1,302	21,593	378	10,962	34	447	57	3,656	156	403
Utah	149	1,692	21	290	6	29	16	749	25	106
Vermont	79	123	16	75	0	0	8	2	15	3
Virginia	238	4,199	86	1,359	7	135	14	190	53	232
Washington	199	4,390	55	741	9	55	19	949	26	92
West Virginia	104	243	9	125	0	0	5	1	46	34
Wisconsin	482	2,435	118	533	11	43	110	455	84	92
Wyoming	54	188	29	37	6	13	d	d	6	2
U.S. Possessions [3]	7	1,129	d	d	0	0	0	0	d	d

Footnotes at end of table.

# Tax-Exempt Bonds, 2008

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**Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2008—Continued**

[Money amounts are in millions of dollars]

State of issue	Bond purpose—continued									
	Environment		Housing		Utilities		Bond and tax/revenue anticipation notes		Other purposes [4]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All States</b>	<b>984</b>	<b>8,509</b>	<b>67</b>	<b>296</b>	<b>1,573</b>	<b>20,722</b>	<b>323</b>	<b>1,640</b>	<b>4,412</b>	<b>43,281</b>
Alabama	d	d	3	2	43	165	d	d	112	371
Alaska	d	d	0	0	0	0	0	0	17	202
Arizona	d	d	0	0	8	833	0	0	77	1,285
Arkansas	14	82	d	d	47	126	0	0	35	48
California	45	546	d	d	66	2,706	d	d	292	5,331
Colorado	6	24	3	8	18	918	0	0	93	845
Connecticut	17	61	d	d	5	234	3	7	45	1,520
Delaware	d	d	d	d	3	41	d	d	d	d
District of Columbia	0	0	0	0	0	0	0	0	d	d
Florida	24	666	0	0	42	1,765	4	42	124	4,455
Georgia	69	797	d	d	45	925	0	0	107	689
Hawaii	0	0	0	0	d	d	0	0	4	588
Idaho	8	65	0	0	10	92	9	17	13	17
Illinois	26	252	0	0	53	603	3	6	239	1,240
Indiana	26	38	0	0	16	108	15	34	79	460
Iowa	22	181	d	d	41	60	30	83	145	378
Kansas	28	141	0	0	31	48	16	33	84	290
Kentucky	d	d	d	d	24	122	19	75	33	799
Louisiana	17	25	0	0	15	139	3	5	44	238
Maine	5	12	0	0	d	d	10	26	28	186
Maryland	41	368	4	16	13	221	4	16	62	244
Massachusetts	43	59	3	91	43	103	27	72	124	865
Michigan	66	279	6	10	37	178	4	1	94	413
Minnesota	33	150	5	6	68	249	23	44	249	1,279
Mississippi	10	25	0	0	9	15	d	d	119	752
Missouri	11	73	0	0	38	188	0	0	91	471
Montana	6	11	0	0	6	2	d	d	24	39
Nebraska	d	d	d	d	44	450	24	44	271	163
Nevada	9	339	0	0	8	538	0	0	14	533
New Hampshire	5	14	0	0	3	3	3	9	34	354
New Jersey	13	112	0	0	19	117	4	14	85	608
New Mexico	12	40	0	0	10	72	0	0	29	676
New York	15	204	3	18	24	993	15	704	181	5,492
North Carolina	28	111	0	0	57	881	3	12	191	883
North Dakota	9	132	d	d	58	123	d	d	20	8
Ohio	28	525	3	1	14	982	4	16	122	776
Oklahoma	7	17	0	0	22	654	0	0	42	199
Oregon	7	366	d	d	12	171	3	14	31	277
Pennsylvania	104	585	d	d	34	51	9	35	148	958
Rhode Island	4	49	d	d	d	d	0	0	16	128
South Carolina	16	47	d	d	13	428	d	d	82	329
South Dakota	4	46	d	d	19	71	0	0	15	104
Tennessee	7	49	d	d	57	566	19	39	56	645
Texas	36	215	0	0	295	2,882	3	7	363	3,022
Utah	5	93	d	d	33	252	d	d	38	158
Vermont	8	4	0	0	10	7	3	1	19	31
Virginia	29	587	0	0	22	238	9	77	60	1,381
Washington	5	19	3	12	36	954	10	36	46	1,531
West Virginia	9	25	0	0	11	3	6	5	20	50
Wisconsin	85	522	4	2	84	141	25	124	170	523
Wyoming	d	d	0	0	d	d	0	0	8	55
U.S. Possessions [3]	0	0	0	0	d	d	0	0	4	888

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

[3] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Governmental Obligations Bonds*.

NOTE: Detail may not add to totals because of rounding.

**Table 6. Tax-Exempt Private Activity Bonds, by Type and Term of Issue, 2008**

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
<b>All issues, total [1]</b>	<b>3,455</b>	<b>134,984</b>
Short-term	76	2,161
Long-term	3,379	132,823
<b>New money issues, total</b>	<b>2,494</b>	<b>53,276</b>
Short-term	40	789
Long-term	2,454	52,488
<b>Refunding issues, total</b>	<b>1,462</b>	<b>81,708</b>
Short-term	39	1,372
Long-term	1,423	80,336

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.

NOTE: Detail may not add to totals because of rounding.

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**Table 7. Long-Term Tax-Exempt Private Activity Bonds, by Bond Purpose and Type of Issue, 2008**

[Money amounts are in millions of dollars]

Bond purpose	All issues		New money issues		Refunding issues	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total [1]</b>	<b>3,379</b>	<b>132,823</b>	<b>2,454</b>	<b>52,488</b>	<b>1,423</b>	<b>80,336</b>
Airports	74	9,209	31	1,753	54	7,457
Docks and wharves	24	1,244	15	345	11	899
Water, sewage, and solid waste disposal facilities	117	3,643	88	2,575	35	1,068
Qualified residential rental facilities	391	7,030	312	4,573	87	2,456
Local electricity or gas furnishing facilities	11	399	d	d	d	d
2008 Housing Act under section 142 and section 143	6	232	d	d	d	d
Tax Reform Act of 1986 transition property bonds	66	4,137	d	d	d	d
Qualified highway or surface freight transfer facilities	d	d	d	d	d	d
Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage bonds	62	2,949	d	d	d	d
Qualified New York Liberty Zone bonds	d	d	d	d	d	d
Qualified mortgage bonds	143	10,669	94	5,076	100	5,593
Qualified veterans' mortgage bonds	4	135	d	d	d	d
Qualified small issue bonds	584	1,391	512	1,270	85	121
Qualified student loan bonds	24	4,213	14	1,404	16	2,809
Qualified hospital facilities	484	48,598	259	12,743	320	35,855
Qualified section 501(c)(3) nonhospital bonds	1,434	37,782	1,084	18,600	672	19,183
Nongovernmental output property bonds	d	d	0	0	d	d
Gulf Opportunity Zone advance refunding bonds	d	d	0	0	d	d
Other purposes [2]	11	383	7	57	5	326

d - Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For this table, "other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, *Informational Return for Tax-Exempt Private Activity Bond Issues*.

NOTE: Detail may not add to totals because of rounding.

# Tax-Exempt Bonds, 2008

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**Table 8. Computation of Lendable Proceeds for Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, 2008**

[Money amounts are in millions of dollars]

Selected bond purpose	Entire issue price		Bond issuance costs		Credit enhancement		Allocation to reserve fund	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total [1]</b>	<b>3,379</b>	<b>132,823</b>	<b>1,996</b>	<b>839</b>	<b>803</b>	<b>362</b>	<b>365</b>	<b>1,459</b>
Airports	74	9,209	58	54	29	52	24	227
Docks and wharves	24	1,244	d	d	5	3	d	d
Water, sewage, and solid waste disposal facilities	117	3,643	66	26	22	7	16	23
Qualified residential rental facilities	391	7,030	87	21	26	6	16	39
Qualified mortgage bonds	143	10,669	34	18	3	[2]	33	63
Qualified small issue bonds	584	1,391	199	15	d	d	d	d
Qualified student loan bonds	24	4,213	d	d	d	d	7	50
Qualified hospital facilities	484	48,598	375	350	176	169	68	626
Qualified section 501(c)(3) nonhospital bonds	1,434	37,782	1,140	318	472	105	203	428
All other bonds, combined [3]	164	9,044	59	27	23	12	7	3

Selected bond purpose	Total lendable proceeds		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
<b>Total [1]</b>	<b>3,379</b>	<b>130,164</b>	<b>1,423</b>	<b>78,933</b>	<b>2,520</b>	<b>51,230</b>
Airports	74	8,876	54	7,196	33	1,680
Docks and wharves	24	1,234	11	894	17	340
Water, sewage, and solid waste disposal facilities	117	3,587	35	1,068	88	2,519
Qualified residential rental facilities	391	6,963	87	2,420	313	4,543
Qualified mortgage bonds	143	10,588	100	5,566	95	5,021
Qualified small issue bonds	584	1,372	85	121	512	1,251
Qualified student loan bonds	24	4,157	16	2,797	14	1,361
Qualified hospital facilities	484	47,453	320	35,137	278	12,315
Qualified section 501(c)(3) nonhospital bonds	1,434	36,932	672	18,842	1,129	18,089
All other bonds, combined [3]	164	9,002	87	4,891	81	4,111

d—Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] Indicates an amount less than \$500,000.

[3] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, Informational Return for Tax-Exempt Private Activity Bond Issues, as well as bonds issued for: local electricity or gas furnishing facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, qualified highway or surface freight transfer facilities, Gulf Opportunity Zone bonds, Gulf Opportunity Zone mortgage bonds, New York Liberty Zone bonds, qualified veterans' mortgage bonds, nongovernmental output property bonds, Gulf Opportunity Zone advance refunding bonds, and 2008 Housing Act bonds issued under IRC section 142 or 143.

NOTE: Detail may not add to totals because of rounding.

# Tax-Exempt Bonds, 2008

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**Table 9. New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Size of Entire Issue, 2008**

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Selected bond purpose	All issues		Size of entire issue					
			Under \$1,000,000		\$1,000,000 under \$5,000,000		\$5,000,000 under \$10,000,000	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total [1]</b>	<b>2,454</b>	<b>52,488</b>	<b>337</b>	<b>93</b>	<b>579</b>	<b>1,540</b>	<b>497</b>	<b>3,255</b>
Airports	31	1,753	d	d	10	30	5	32
Docks and wharves	15	345	d	d	d	d	3	25
Water, sewage, and solid waste disposal facilities	88	2,575	4	1	15	46	7	45
Qualified residential rental facilities	312	4,573	d	d	69	214	94	687
Qualified mortgage bonds	94	5,076	0	0	d	d	0	0
Qualified small issue bonds	512	1,270	260	53	133	359	91	588
Qualified student loan bonds	14	1,404	0	0	0	0	0	0
Qualified hospital facilities	259	12,743	7	4	38	107	30	226
Qualified section 501(c)(3) nonhospital bonds	1,084	18,600	55	30	299	738	248	1,520
All other bonds, combined [2]	81	4,150	d	d	d	d	19	132

Selected bond purpose	Size of entire issue—continued							
	\$10,000,000 under \$25,000,000		\$25,000,000 under \$50,000,000		\$50,000,000 under \$100,000,000		\$100,000,000 or more	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Total [1]</b>	<b>713</b>	<b>9,646</b>	<b>365</b>	<b>10,321</b>	<b>261</b>	<b>13,122</b>	<b>287</b>	<b>46,334</b>
Airports	5	75	d	d	3	172	15	3,202
Docks and wharves	0	0	d	d	d	d	d	d
Water, sewage, and solid waste disposal facilities	5	77	3	125	d	d	0	0
Qualified residential rental facilities	d	d	0	0	3	89	d	d
Qualified mortgage bonds	35	554	28	971	16	972	7	660
Qualified small issue bonds	168	2,445	44	1,463	14	790	8	1,267
Qualified student loan bonds	16	240	10	326	14	658	9	2,581
Qualified hospital facilities	d	d	72	1,922	71	3,065	69	7,828
Qualified section 501(c)(3) nonhospital bonds	0	0	d	d	d	d	0	0
All other bonds, combined [2]	60	585	0	0	0	0	0	0

d - Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

# Tax-Exempt Bonds, 2008

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**Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2008**

[Money amounts are in millions of dollars]

State of issue	Total [1]		Selected bond purpose							
			Airports, docks, and wharves [2]		Water, sewage, and solid waste disposal [2]		Qualified residential rental		Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All States</b>	<b>2,454</b>	<b>52,488</b>	<b>46</b>	<b>2,097</b>	<b>88</b>	<b>2,575</b>	<b>312</b>	<b>4,573</b>	<b>94</b>	<b>5,076</b>
Alabama	31	768	d	d	4	145	0	0	d	d
Alaska	5	192	0	0	0	0	0	0	d	d
Arizona	30	1,045	d	d	4	43	d	d	4	92
Arkansas	15	165	0	0	0	0	0	0	d	d
California	213	5,488	d	d	16	451	97	1,158	4	639
Colorado	64	827	d	d	0	0	d	d	0	0
Connecticut	23	611	0	0	0	0	d	d	d	d
Delaware	11	161	d	d	0	0	d	d	d	d
District of Columbia	18	726	0	0	0	0	d	d	0	0
Florida	95	2,058	8	384	d	d	22	195	d	d
Georgia	56	1,530	d	d	d	d	7	88	d	d
Hawaii	d	d	0	0	0	0	d	d	0	0
Idaho	11	370	0	0	0	0	0	0	4	175
Illinois	148	1,902	d	d	d	d	11	156	0	0
Indiana	48	903	d	d	5	232	3	33	d	d
Iowa	123	476	0	0	d	d	d	d	d	d
Kansas	60	216	0	0	0	0	d	d	d	d
Kentucky	47	804	d	d	d	d	5	36	d	d
Louisiana	54	2,453	d	d	d	d	3	35	d	d
Maine	12	253	0	0	0	0	d	d	3	92
Maryland	49	1,269	0	0	d	d	11	113	3	113
Massachusetts	99	2,408	0	0	d	d	6	98	3	160
Michigan	53	631	d	d	d	d	0	0	0	0
Minnesota	89	1,069	d	d	d	d	8	42	d	d
Mississippi	31	629	0	0	0	0	3	17	d	d
Missouri	50	1,638	0	0	d	d	d	d	d	d
Montana	11	138	0	0	0	0	d	d	d	d
Nebraska	33	230	0	0	d	d	0	0	d	d
Nevada	5	112	0	0	0	0	d	d	d	d
New Hampshire	24	399	0	0	0	0	d	d	4	99
New Jersey	54	2,089	0	0	d	d	d	d	d	d
New Mexico	5	205	0	0	0	0	d	d	d	d
New York	133	5,398	d	d	d	d	25	1,031	3	291
North Carolina	33	549	d	d	d	d	d	d	d	d
North Dakota	19	307	0	0	0	0	0	0	d	d
Ohio	81	2,197	0	0	6	125	12	73	4	357
Oklahoma	6	210	0	0	0	0	0	0	d	d
Oregon	21	511	0	0	d	d	7	27	d	d
Pennsylvania	197	3,030	0	0	4	252	d	d	d	d
Rhode Island	13	287	d	d	0	0	0	0	d	d
South Carolina	18	272	0	0	3	86	3	41	0	0
South Dakota	21	266	0	0	d	d	0	0	d	d
Tennessee	36	678	0	0	0	0	9	41	3	120
Texas	87	2,212	6	90	17	618	12	143	0	0
Utah	18	236	0	0	0	0	0	0	5	68
Vermont	15	234	0	0	0	0	4	4	d	d
Virginia	46	1,726	d	d	d	d	7	79	d	d
Washington	58	784	5	128	d	d	14	137	d	d
West Virginia	17	351	0	0	d	d	d	d	d	d
Wisconsin	61	875	0	0	0	0	d	d	d	d
Wyoming	3	72	0	0	0	0	0	0	d	d
U.S. Possessions [4]	d	d	0	0	0	0	d	d	0	0

Footnotes at end of table.

# Tax-Exempt Bonds, 2008

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**Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2008—Continued**

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose—continued									
	Qualified mortgage		Qualified small issue		Qualified hospital		Qualified section 501(c)(3) nonhospital		All other bonds, combined [3]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All States</b>	<b>512</b>	<b>1,270</b>	<b>14</b>	<b>1,404</b>	<b>259</b>	<b>12,743</b>	<b>1,084</b>	<b>18,600</b>	<b>81</b>	<b>4,150</b>
Alabama	5	28	0	0	d	d	13	179	6	354
Alaska	0	0	0	0	0	0	d	d	d	d
Arizona	d	d	0	0	4	612	13	240	0	0
Arkansas	3	7	0	0	d	d	8	101	d	d
California	d	d	0	0	10	553	67	1,786	0	0
Colorado	10	14	d	d	3	251	46	423	0	0
Connecticut	0	0	0	0	6	221	12	191	0	0
Delaware	d	d	0	0	d	d	d	d	3	5
District of Columbia	0	0	0	0	d	d	10	420	0	0
Florida	11	53	0	0	9	194	40	878	0	0
Georgia	6	26	0	0	9	379	30	956	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	d	d	d	d	0	0
Illinois	76	76	0	0	21	1,161	39	448	0	0
Indiana	6	27	0	0	9	294	22	137	0	0
Iowa	81	16	0	0	4	165	32	194	d	d
Kansas	44	45	0	0	d	d	12	112	0	0
Kentucky	5	38	d	d	5	61	27	463	0	0
Louisiana	d	d	0	0	d	d	7	94	37	2,093
Maine	d	d	d	d	0	0	5	116	0	0
Maryland	d	d	0	0	3	392	28	613	0	0
Massachusetts	14	48	d	d	14	552	61	1,414	0	0
Michigan	13	75	0	0	9	197	27	279	0	0
Minnesota	9	16	d	d	5	477	63	430	0	0
Mississippi	d	d	0	0	0	0	8	67	18	493
Missouri	18	56	d	d	9	832	15	404	d	d
Montana	0	0	0	0	d	d	8	18	0	0
Nebraska	17	11	0	0	5	72	8	80	0	0
Nevada	d	d	0	0	0	0	d	d	0	0
New Hampshire	d	d	0	0	d	d	14	211	0	0
New Jersey	11	44	d	d	5	567	32	622	0	0
New Mexico	0	0	d	d	d	d	d	d	0	0
New York	10	41	0	0	22	612	68	2,654	5	368
North Carolina	3	18	0	0	6	167	19	307	d	d
North Dakota	d	d	0	0	4	87	13	89	0	0
Ohio	6	36	0	0	20	1,246	33	360	0	0
Oklahoma	d	d	0	0	d	d	d	d	d	d
Oregon	d	d	0	0	4	174	6	221	0	0
Pennsylvania	62	165	0	0	12	567	113	1,718	0	0
Rhode Island	d	d	d	d	d	d	5	65	0	0
South Carolina	d	d	0	0	d	d	9	66	0	0
South Dakota	10	19	0	0	d	d	7	53	0	0
Tennessee	3	17	0	0	5	398	16	102	0	0
Texas	5	41	d	d	6	224	42	920	d	d
Utah	d	d	d	d	0	0	6	52	0	0
Vermont	3	8	d	d	d	d	6	49	0	0
Virginia	4	15	0	0	6	485	25	358	d	d
Washington	12	18	0	0	d	d	20	188	d	d
West Virginia	0	0	0	0	6	232	8	28	0	0
Wisconsin	20	74	0	0	12	325	28	352	0	0
Wyoming	0	0	0	0	0	0	d	d	0	0
U.S. Possessions [4]	0	0	0	0	0	0	0	0	0	0

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For purposes of this table, certain bond purposes were combined. For this reason, data in this table will differ slightly from the data in Tables 7 and 9.

[3] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, Informational Return for Tax-Exempt Private Activity Bond Issues, as well as bonds issued for: local electricity or gas furnishing facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, qualified highway or surface freight transfer facilities, Gulf Opportunity Zone bonds, Gulf Opportunity Zone mortgage bonds, New York Liberty Zone bonds, qualified veterans' mortgage bonds, nongovernmental output property bonds, and 2008 Housing Act bonds issued under IRC section 142 or 143.

[4] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.