Municipal Bonds, 2011

by Aaron Barnes

State and local governments issue three types of bonds to finance essential operations, facilities, infrastructure, and services for their constituents.[1] These are tax-exempt, tax credit, and direct payment bonds. Tax-exempt bonds provide bondholders (investors) interest payments exempt from Federal taxation, and often State and local taxation. Tax credit bonds are not explicitly interest-bearing obligations. In lieu of, or in addition to, receiving periodic interest payments from the issuer, a tax credit bondholder is generally allowed an income tax credit while the bond is outstanding.[2] Multiplying the bond's credit rate, determined by the Secretary of the Treasury, by the face amount on the holder's bond determines the amount of tax credit. Direct payment bonds reimburse issuers with a Federal subsidy equal to some percentage of the total interest payment made to bondholders. The interest received is subject to Federal taxation; however, the interest rate is generally greater than that of a comparable tax-exempt bond.

Municipal bond issues decreased from $556.9 billion in 2010 to $390.6 billion in 2011. One likely driver of lower bond issuance was the expiration of the Build America Bond program, which ended on January 1, 2011.[3] Tax-exempt bond proceeds totaled nearly $384.3 billion, or 98.4 percent of all municipal bond proceeds in 2011 (Figure A). Proceeds from direct payment bonds totaled less than $6.2 billion and made up 1.6 percent of all municipal bond proceeds for the year. Tax credit bond proceeds totaled $0.2 billion and accounted for 0.1 percent of all municipal bond proceeds in 2011.[4]

This article presents information for tax-exempt and direct payment bonds issued in 2011. Tax credit bonds will not be discussed due to the low overall issuance in 2011. The first section looks at several defining characteristics of tax-exempt bonds and provides an overview of the market by State. The next section discusses direct payment bond programs and presents data for 2011. Within this discussion, data are presented on the credit payments received by issuers of direct payment bonds.

The Statistics of Income (SOI) Division based the tax-exempt bond data presented here 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 (IRS) for bonds issued during Calendar Year 2011. For direct payment bonds, SOI based the data on populations of

Figure A

Total Volume of Tax-Exempt, Taxable Direct Payment, and Tax Credit Bonds, 2011

[Money amounts are in millions of dollars]

Type of bond	Number	Amount	Percentage of total amount
	(1)	(2)	(3)
Total [1]	**24,282**	**390,629**	**100.0**
Tax-exempt bonds	23,612	384,257	98.4
Taxable direct payment bonds [2]	614	6,156	1.6
Tax credit bonds [3]	56	216	0.1

[1] Includes combined data from all governmental, private activity bond, Build America Bond, and specified tax credit and tax credit bond returns (Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations*; Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*; and Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*).

[2] Includes specified tax credit bonds reported on Form 8038-TC that indicate the issuer elected to apply Internal Revenue Code section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A). Issuers who elect to apply Internal Revenue Code section 6431(f) are eligible to receive Federal direct payments and are classified as "taxable direct payment bonds" for purposes of this figure.

[3] Includes bonds reported on Form 8038-TC with a specific reference to "qualified school construction" bonds, "qualified zone academy" bonds, "new clean renewable energy" bonds, or "qualified energy conservation" bonds in either their issue name or other description. Excludes bonds reported on Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).

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

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014

Highlights

- Municipal bond issuance decreased from $556.9 billion in 2010 to $390.6 billion in 2011.
- Tax-exempt bond proceeds totaled nearly $384.3 billion, or 98.4 percent of all municipal bonds proceeds in 2011.
- Tax-exempt governmental bond issues raised $297.3 billion in proceeds for public projects such as schools, transportation infrastructure, and utilities.
- Long-term governmental bonds totaled $232.5 billion in 2011, of which $118.4 billion financed new projects, while the remaining $114.1 billion were used to refund prior governmental bond issues.
- Nearly 2,500 tax-exempt private activity bonds were issued in 2011, for a total of $86.9 billion in proceeds.
- Long-term private activity bonds totaled $86 billion in 2011, of which $40.6 billion financed new projects, while the remaining $45.5 billion were used to refund prior private activity bond issues.

[1] The term "State" includes the District of Columbia and any possessions of the United States. The term "State" also includes Federally recognized Indian Tribal governments.

[2] Issuers of certain qualified tax credit bonds, specifically new clean renewable energy bonds and qualified energy conservation bonds, pay bondholders an interest payment in addition to the tax credit the bondholder receives. For additional information, see "Frequently Asked Questions on Qualified Tax Credit Bonds and Specified Tax Credit Bonds" at http://www.irs.gov/pub/irs-tege/tc_and_stcb_q-a._09-07-10_1.5.pdf.

[3] For information on the Build America Bond program, see Barnes, Aaron "Municipal Bonds, 2010," *Statistics of Income Bulletin, Spring 2013, Volume 32, Number 4* at http://www.irs.gov/pub/irs-soi/13ebsprbulbonds.pdf.

[4] In 2011, all direct payment bonds were comprised of specified tax credit bonds. Specified tax credit bonds allow issuers of tax credit bonds to irrevocably elect to receive Federal direct payments of allowances of refundable tax credits.

Forms 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*, filed for specified tax credit bonds issued during the year. For issuers of direct payment bonds requesting credit payments for bonds with interest payments occurring in Calendar Year 2011, SOI based the data on populations of Forms 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds.* Bond issuers filed the majority of these returns in 2011 and 2012.[5]

Tax-Exempt Bonds

Tax-exempt bonds fall into two classifications, "governmental" or "private activity," depending on whether public or private entities and resources used and secured the proceeds. The total amount of tax-exempt bonds decreased 7.2 percent between Calendar Years 2010 and 2011, from $420.7 billion to $390.6 billion.[6] For 2011, governmental bonds accounted for $297.3 billion (76.1 percent) of total tax-exempt bond proceeds, an increase of 1.3 percent from the $293.6 billion issued in 2010. Private activity bonds accounted for the remaining $86.9 billion (22.2 percent) of all tax-exempt bonds, a decrease of 31.6 percent from the $127.1 billion issued in 2010.

When a bond is issued, the issuer is obligated to repay the borrowed funds at a specified interest rate, by a specific date. For Federal income tax purposes, investors who purchase governmental bonds and certain types of qualified private activity bonds are able to exclude the interest they earn from their gross incomes.[7,8] This tax exemption lowers the borrowing cost incurred by the issuers, since holders of tax-exempt bonds are generally willing to accept an interest rate that is lower than that earned on comparable taxable bonds.[9,10] The spread between high-grade municipal bonds and high-grade corporate bonds varied from 0.5 percent to 1.5 percent, depending on the bonds' maturity dates. Spread is a measure of the difference between the two investment yields. Investors in higher tax brackets have a greater tax incentive to invest in tax-exempt bonds than investors in lower brackets because the required yield on a taxable bond needs to be even greater than a tax-exempt bond for a comparable tax benefit.[11]

Governmental bond proceeds finance government operations, facilities, and services for general public use. Governmental sources pay the debt service on these bonds.[12] Private activity bonds are issued by, or on behalf of, State or local governments to finance 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.[13] Interest income on most private activity bonds is taxable. However, Congress has deemed certain types of private activities necessary for the public good, and therefore, interest earned on "qualified private activity bonds," as defined in IRC section 141(e), is generally tax exempt. [14,15]

Tax-Exempt 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 typically classified as short term mature in less than 13 months, while bonds classified as long term mature in 13 months or more. Long-term bonds make up the majority of the governmental bond market because they are generally used to finance construction or other capital improvement projects. Of the $297.3 billion in tax-exempt governmental bonds issued, long-term bonds accounted for $232.5 billion, more than three-quarters (78.4 percent) of all governmental bond proceeds.

Governmental bonds issued for short-term projects made up the remaining $64.8 billion of bond proceeds. Most short-term governmental bonds are issued in the form of tax anticipation notes (TANs), revenue anticipation 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. BAN proceeds are typically used to pay for start-up costs associated with a future long-term, bond-financed project. A renewal BAN can be issued on maturity of an outstanding BAN, until the proceeds of the future bond issue are used to pay off, or retire, the outstanding BAN. Combined, BANs, TANs, and RANs accounted for almost $61.7 billion, nearly 20.8 percent, of the total governmental bond proceeds for 2011.

[5] Bond issuers were required to file these information returns by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued.

[6] For Calendar Year 2010 data, see Barnes, Aaron "Municipal Bonds, 2010," *Statistics of Income Bulletin*, Spring 2013, Volume 32, Number 4.

[7] 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.

[8] The extent of exclusion of interest income can vary with taxpayer characteristics. For example, banks and insurance companies may be limited as to how much tax-exempt interest they can exclude.

[9] The interest exclusion for tax-exempt bonds is not allowed for arbitrage bonds or unregistered bonds. 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 that have been used to purchase higher-yielding investments. Certain rules allow for arbitrage earnings with respect to tax-exempt bonds within a specified period, as long as these earnings are rebated to the Department of the Treasury.

[10] 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 in its records," according to the *Municipal Securities Rulemaking Board's Glossary of Municipal Securities Terms*, http://www.msrb.org/glossary.aspx. See also IRC section 149(a) for additional information.

[11] For more information on taxable and tax-exempt rate comparisons see: http://www.investinginbonds.com/learnmore.asp?catid=8&subcatid=53&id=206.

[12] See Section 7871(c) of the Internal Revenue Code for tax-exempt bond requirements for Indian Tribal governments.

[13] 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 that 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). 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 proceeds used to (directly or indirectly) finance loans to nongovernmental persons exceeds the lesser of $5 million or 5 percent of the proceeds.

[14] 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.

[15] 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.

Private activity bonds have even higher rates of long-term bond issuance compared to governmental bonds. Of the $86.9 billion in private activity bond proceeds in 2011, almost all (98.9 percent or slightly less than $86 billion) were long term. Short-term private activity bond proceeds totaled more than $0.9 billion, only 1.1 percent of the total private activity bond proceeds for the year.

Long-Term, Tax-Exempt Bond Volume, by Type of Issue

Total bond issuance is composed of both nonrefunding ("new money") issues and refunding issues. New money proceeds finance new capital projects, while refunding proceeds retire outstanding bond issues. A bond issue can include both new money and refunding proceeds.

Figures B and C show total long-term issuance, as well as its distribution between new money and refunding proceeds, for both governmental and private activity bonds issued between 2007 and 2011. New money issues accounted for about half (50.9 percent) of all long-term governmental bond proceeds for 2011 (Figure B). New money governmental bond proceeds increased 25.1 percent, from $94.6 billion in 2010 to $118.4 billion in 2011. Refunding governmental bond proceeds decreased 6.9 percent, from $122.6 billion to $114.1 billion.

For 2011, new money issues also made up 47.2 percent of all long-term private activity bond proceeds (Figure C). New money private activity bond proceeds decreased 36 percent, from $63.3 billion in 2010 to $40.5 billion in 2011. Refunding private activity bond proceeds decreased 24.5 percent, from $60.2 billion to $45.5 billion. The decrease in private activity bond issuance is likely the result of States increasing their 2010 issuance to take advantage of expiring stimulus bonds according to an annual survey of market participants.[16]

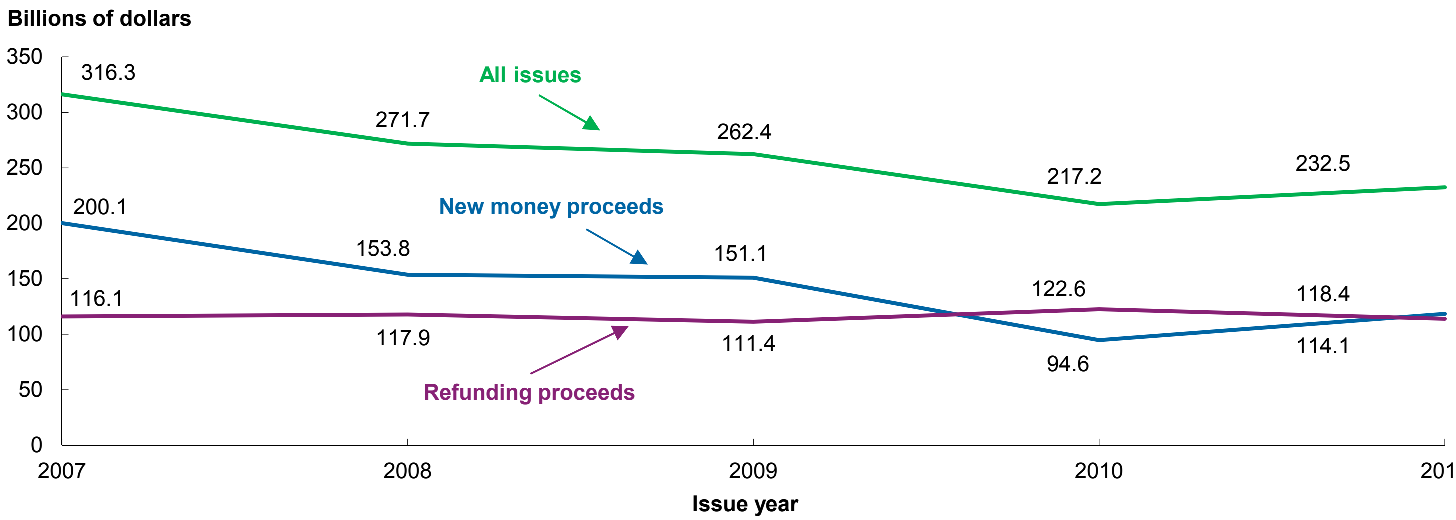
Long-Term, Tax-Exempt Bond Volume, by Selected Purpose

Figures D and E present long-term, tax-exempt bond proceeds, by selected purpose, as well as type of issue for both governmental and private activity bond issues. During 2011, more than half (55.1 percent) of the total $232.5 billion in long-term, governmental bond proceeds financed education, utilities, and transportation projects (Figure D). States and local governments used nearly one-third (32.3 percent) of these proceeds for "other bond purposes," which may contain issues that were not separately allocated by the issuer, or issues that do not apply to any of the specific purposes listed on Form 8038-G. Issuers of governmental bonds for other purposes, education, and utilities used more proceeds to refund prior issues than to finance new capital projects, while issuers of governmental bonds for transportation, environment, public safety, and health and hospitals used more of their proceeds financing new capital projects than refunding prior bond issues.

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 nearly 55.5 percent of the $86 billion of long-term, private activity bond proceeds for 2011 (Figure E). Qualified mortgage and qualified residential rental bonds are two types of private activity bonds issued to provide housing assistance to communities. Housing assistance varies across programs and uses. In general, mortgage and residential

Figure B

Volume of Long-Term Tax-Exempt Governmental Bonds Issued, by Type and Issue Year, 2007–2011

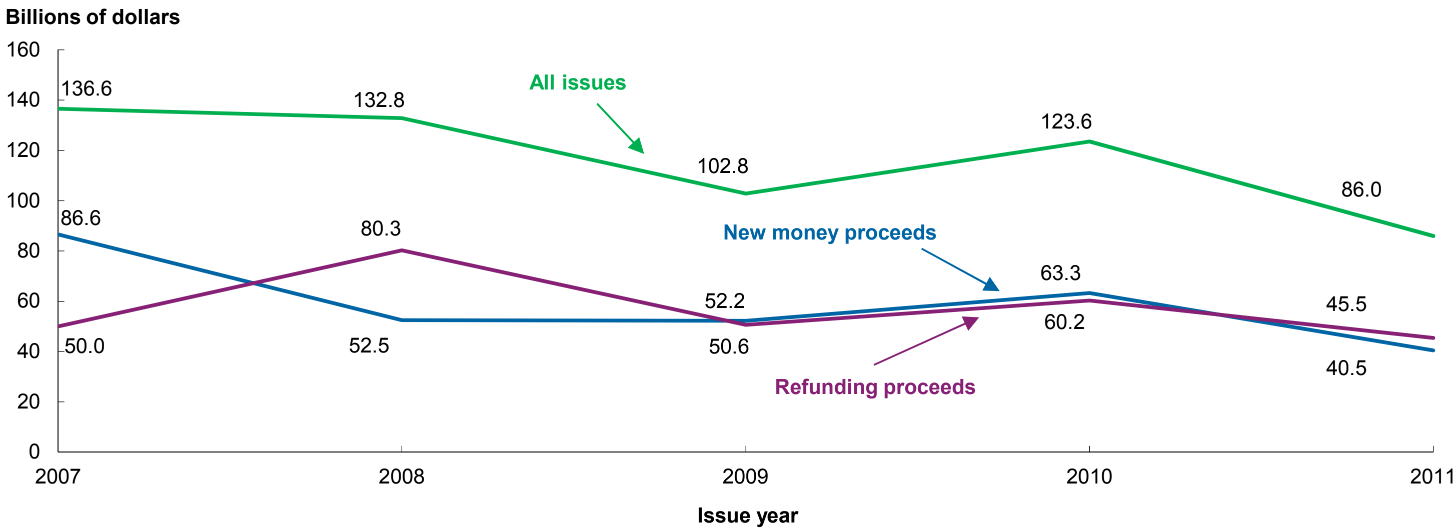


NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

[16] DePaul, Jennifer, "Private-Activity Bond Volume Sees 13% Slippage in 2011," *The Bond Buyer,* July 2012, (Last accessed May 22, 2014) http://www.bondbuyer.com/issues/121_141/private-activity-bond-issuance-annual-survey-1042167-1.html.

Figure C

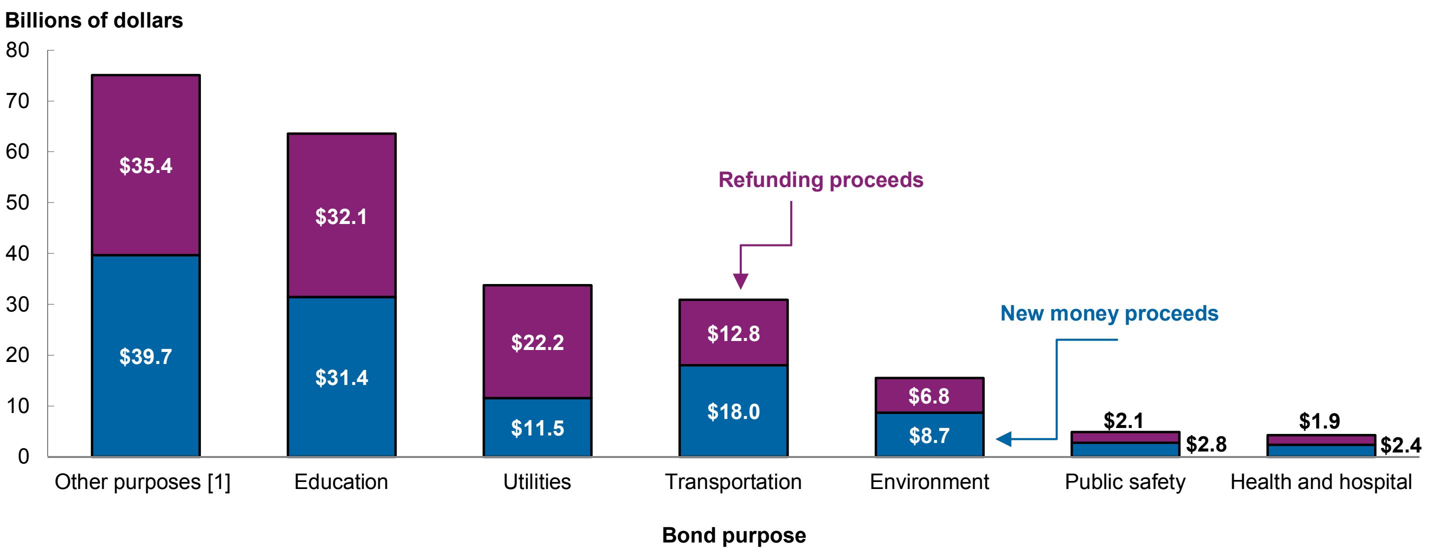
Volume of Long-Term Tax-Exempt Private Activity Bonds Issued, by Type and Issue Year, 2007–2011



NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

Figure D

Volume of Long-Term Tax-Exempt Governmental Bonds, by Selected Bond Purpose and Type of Issue, 2011



[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. It does not include specific purposes, such as housing and bond and tax/revenue anticipation notes, that are not shown separately in the figure. See Table 2.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

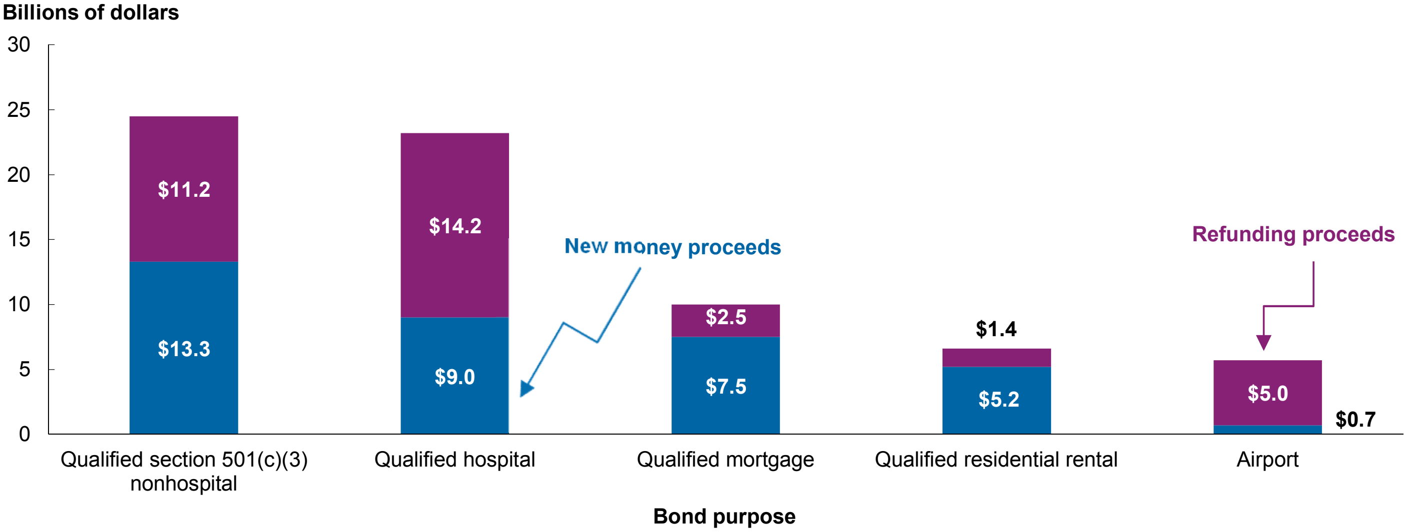
bonds help qualified individual acquire property, subsidize mortgage payments, and cover the cost of qualified home improvements all within targeted areas. Qualified mortgage ($10 billion) and qualified residential bonds ($6.5 billion) accounted for third largest and fourth most widely issued long-term, private activity bonds in 2011.

Overview of Tax-Exempt Bond Issues, by State

Figure F presents States with the largest absolute decreases and increases in the amount of new money long-term, tax-exempt governmental bonds from 2010 to 2011. States with large decreases in this type of bond issuance indicated changes in their budget environment, while States with large increases in the number of new capital projects showed increases in issuances. Total new money long-term, governmental bond proceeds increased nearly $23.8 billion (up 25.1 percent) from 2010 to 2011, rising to $118.4 billion. While bond issuance in Florida (down 63.8 percent) and California (down 9.2 percent) fell during the year, these States also experienced the largest absolute decreases in new money long-term governmental bond proceeds in 2011. Also of interest, Arizona issued 36.9 percent less of this type of bond for the year. In all, 16 States reported a

Figure E

Volume of Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Type of Issue, 2011



SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

decline in proceeds totaling slightly more than $11 billion from this type of bond from 2010 to 2011.

New York represented the largest absolute increase (up $8.2 billion) in new money long-term governmental bond proceeds, issuing nearly $14.8 billion in 2011. Additionally, Michigan (up 365.8 percent), Massachusetts (up 151 percent), and Virginia (up 143.4 percent) showed significant increases in proceeds for this same type of bond for the year. In all, 36 States increased the amount of new money long-term governmental bond proceeds by slightly more than $34.8 billion from 2010 to 2011.

Figure G presents the amount of bond proceeds for the top 15 States, in terms of total dollar volume of new money long-term, tax-exempt bonds issued for 2011, for governmental bonds. Combined, these 15 States accounted for 68.8 percent of the total $118.4 billion of new money long-term governmental bond proceeds. Authorities in five States issued about $48.1 billion (40.6 percent) of the total proceeds for the year: New York (12.5 percent), California (11.1 percent), Texas (8.6 percent), Michigan (4.5 percent), and Illinois (3.9 percent). According to 2011 Census estimates, these five States accounted for almost 33.9 percent of the total U.S. population.[17]

By looking at the allocation of bond proceeds, it is possible to see how the purpose of these bonds may vary by State. Overall, for 2011, States issued about a quarter (26.5 percent) of the $118.4 billion of new money long-term governmental bonds for educational purposes. California issued the largest portion (43.6 percent) of its new money long-term bond issues for education. In contrast, Michigan (12.7 percent) and New Jersey (9.2 percent) reported issuing the smallest portion of their long-term government bonds for this purpose.

Figure F

States with Largest Decreases and Increases in Amount of New Money Long-Term Tax-Exempt Governmental Bonds, 2010 to 2011

[Money amounts are in millions of dollars]

State of issue	2010 amount	2011 amount	Change in amount	Percentage change in amount
	(1)	(2)	(3)	(4)
All States	**94,644**	**118,431**	**23,787**	**25.1**
States with decreases:				
Florida	8,436	3,052	-5,384	-63.8
California	14,502	13,164	-1,338	-9.2
Arizona	3,227	2,035	-1,192	-36.9
U.S. Possessions [1]	3,145	2,538	-607	-19.3
Oklahoma	1,909	1,312	-597	-31.3
States with increases:				
New York	6,612	14,792	8,180	123.7
Michigan	1,156	5,385	4,229	365.8
Massachusetts	1,625	4,078	2,453	151.0
Virginia	1,599	3,892	2,293	143.4
Indiana	1,311	3,349	2,038	155.5

[1] U.S. Possessions include Guam, Puerto Rico, and the U.S. Virgin Islands.
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

[17] The resident population estimates for July 1, 2010, were produced by the U.S. Bureau of the Census and are available at http://www.census.gov/popest/data/state/totals/2011/tables/NST-EST2011-01.xls.

Figure G

New Money Long-Term Tax-Exempt Governmental Bond Proceeds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Issuance, 2011

[Money amounts are in millions of dollars]

State of issue	Total amount	Selected bond purpose [1]									
		Other purposes [2]		Education		Transportation		Utilities		Environment	
		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)
All States	**118,431**	**39,681**	**33.5**	**31,413**	**26.5**	**18,027**	**15.2**	**11,530**	**9.7**	**8,697**	**7.3**
New York	14,792	8,880	60.0	1,908	12.9	2,213	15.0	935	6.3	508	3.4
California	13,164	2,382	18.1	5,743	43.6	946	7.2	1,331	10.1	340	2.6
Texas	10,186	1,770	17.4	3,276	32.2	2,637	25.9	2,234	21.9	75	0.7
Michigan	5,385	3,682	68.4	686	12.7	110	2.0	617	11.5	167	3.1
Illinois	4,606	491	10.7	1,600	34.7	1,623	35.2	80	1.7	482	10.5
Massachusetts	4,078	2,055	50.4	1,592	39.0	90	2.2	40	1.0	161	3.9
Pennsylvania	4,010	1,112	27.7	968	24.1	831	20.7	241	6.0	702	17.5
Washington	3,951	1,003	25.4	719	18.2	984	24.9	573	14.5	454	11.5
Virginia	3,892	1,173	30.1	1,168	30.0	1,074	27.6	113	2.9	138	3.5
Indiana	3,349	195	5.8	395	11.8	52	1.6	1,141	34.1	1,504	44.9
Florida	3,052	1,706	55.9	470	15.4	346	11.3	284	9.3	87	2.9
New Jersey	2,880	438	15.2	264	9.2	1,997	69.3	18	0.6	27	0.9
North Carolina	2,817	1,225	43.5	388	13.8	525	18.6	249	8.8	127	4.5
Maryland	2,737	429	15.7	886	32.4	73	2.7	22	0.8	813	29.7
Minnesota	2,632	898	34.1	680	25.8	513	19.5	171	6.5	168	6.4

[1] Selected bond purposes do not add to total amount.
[2] In 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 2.
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

Transportation projects accounted for 15.2 percent of States' total new money long-term proceeds. In New Jersey, however, transportation projects made up 69.3 percent of the total amount of new money long-term governmental bonds, while Indiana allocated only 1.6 percent for the same purpose. In contrast, Maryland (2.7 percent) and Massachusetts (2.2 percent) accounted for the smallest percentages of transportation bond issues for the year.

Utility bond proceeds accounted for 9.7 percent of all new money long-term governmental bonds in 2011. Indiana (34.1 percent) and Texas (21.9 percent) each spent a large portion on utility projects. In contrast, New Jersey spent 0.6 percent of its total amount of new money long-term bonds on utility projects.

Figure H presents States with the largest absolute decreases and increases in the amount of new money long-term, tax-exempt private activity bonds from 2010 to 2011.[18] Total new money long-term, tax-exempt private activity bond proceeds decreased by approximately $22.8 billion (down 36.1 percent) from 2010 to 2011. For the 42 States that reduced their issuance of these bonds in 2011, the overall decrease in proceeds totaled just less than $23.9 billion. Texas accounted for the largest absolute decrease (down $3.0 billion) in new money long-term, tax-exempt private activity bond proceeds in 2011. States that showed significant

Figure H

States with Largest Decreases and Increases in Amount of New Money Long-Term Tax-Exempt Private Activity Bonds, 2010 to 2011

[Money amounts are in millions of dollars]

State of issue	2010 amount	2011 amount	Change in amount	Percentage change in amount
	(1)	(2)	(3)	(4)
All States	**63,330**	**40,496**	**-22,834**	**-36.1**
States with decreases:				
Texas	4,997	1,972	-3,025	-60.5
Louisiana	3,553	936	-2,617	-73.7
Florida	4,141	1,602	-2,539	-61.3
California	6,082	4,612	-1,470	-24.2
Georgia	1,852	688	-1,164	-62.9
States with increases:				
New York	4,990	5,325	335	6.7
Massachusetts	2,442	2,655	213	8.7
Alaska	167	324	157	94.0
Indiana	774	922	148	19.1
Iowa	422	560	138	32.7

NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

[18] Qualified private activity bond authority is generally allocated to States based on population; States with higher populations are more likely to show up in Figures H and I.

relative decreases in these same type of bonds from 2010 to 2011 included Louisiana (down 73.7 percent), Florida (down 61.3 percent), and California (down 24.2 percent).

New York represented the largest absolute increase (up $335 million) in new money long-term, tax-exempt private activity bond proceeds. Other States with significant increases in these same type of bond issues from 2010 to 2011 included Massachusetts (up 8.7 percent) and Alaska (up 94 percent). In all, 10 States increased their new money long-term, tax-exempt private activity bond proceeds from 2010 to 2011, by just less than $1.2 billion.

Figure I shows the amount of bond proceeds for the top 15 States, in terms of total dollar volume of new money long-term, tax-exempt bonds issued for 2011, for private activity bonds. Combined, these 15 States accounted for 69 percent of the total $27.9 billion of new money long-term, tax-exempt private activity bond proceeds for the year. Authorities in the following five States issued almost $16.8 billion (41.5 percent) of the total proceeds: New York (13.1 percent), California (11.4 percent), Massachusetts (5.6 percent), Pennsylvania (6.5 percent), and Texas (7.9 percent). According to 2011 Census estimates, these five States accounted for almost 32.8 percent of the total U.S. population.

As was the case with 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 2011, overall, qualified IRC section 501(c)(3) nonhospital organizations accounted for almost a third (32.9 percent) of the proceeds for the year. Qualified hospital bonds made up another 22.1 percent of this bond issuance.

Massachusetts issued most of its total proceeds for IRC section 501(c)(3) nonhospital organizations (65.1 percent), compared to Alabama (8.2 percent) and Washington (7.6 percent). In comparison, Ohio issued most of its total proceeds for qualified hospital bonds (47.7 percent), compared to smaller shares issued by New Jersey (13.9 percent) and New York (13.3 percent) for this same purpose. Of the top 15 States, Minnesota had the smallest total reportable issuance for qualified hospitals, with only 2.4 percent of its total proceeds allocated for this purpose.

Bonds issued for qualified mortgage bonds accounted for 18.5 percent of all proceeds in 2011, totaling nearly $7.5 billion. Florida committed 31.5 percent of its total proceeds toward qualified mortgage bonds, while Ohio allocated 27.9 percent of its proceeds for this purpose.

Together, all States allocated 12.8 percent of the $5.2 billion of bond proceeds in 2011 for qualified residential rental facility bonds. However, New York (36.2 percent) and California (23.5 percent) directed a much larger share of their proceeds to this purpose. In contrast, Louisiana directed only 4.2 percent of its proceeds to qualified residential rental facility bonds.

Figure I

New Money Long-Term Tax-Exempt Private Activity Bond Proceeds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Issuance, 2011

[Money amounts are in millions of dollars]

State of issue	Total amount	Selected bond purpose [1]							
		Qualified section 501(c)(3) nonhospital		Qualified hospital		Qualified mortgage		Qualified residential rental facility	
		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)
All States	**40,496**	**13,340**	**32.9**	**8,953**	**22.1**	**7,488**	**18.5**	**5,165**	**12.8**
New York	5,325	1,416	26.6	710	13.3	d	d	1,925	36.2
California	4,612	2,099	45.5	1,143	24.8	d	d	1,084	23.5
Massachusetts	2,655	1,728	65.1	435	16.4	d	d	301	11.3
Pennsylvania	2,260	916	40.5	796	35.2	420	18.6	d	d
Texas	1,972	444	22.5	d	d	336	17.0	68	3.4
Illinois	1,690	1,060	62.7	380	22.5	d	d	128	7.6
Florida	1,602	522	32.6	d	d	505	31.5	282	17.6
Ohio	1,450	275	19.0	692	47.7	404	27.9	d	d
New Jersey	1,327	364	27.4	184	13.9	d	d	d	d
Louisiana	936	279	29.8	184	19.7	126	13.5	39	4.2
Indiana	922	232	25.2	230	24.9	216	23.4	0	0.0
Alabama	820	67	8.2	d	d	0	0.0	0	0.0
Washington	812	62	7.6	368	45.3	d	d	151	18.6
Minnesota	785	339	43.2	19	2.4	194	24.7	131	16.7
Virginia	780	183	23.5	142	18.2	d	d	93	11.9

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.
[1] Selected bond purposes do not add to total amount.
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

Direct Payment Bonds

The American Recovery and Reinvestment Act (ARRA) authorized direct payment bond issuance through the Build America Bonds (BAB) and the Recovery Zone Economic Development Bond (RZED) Programs. These programs were created to provide incentive for State and local governments to undertake new capital projects during a period of national recession. ARRA allowed issuers of these bonds to elect (in lieu of issuing tax-credit bonds) to receive a direct refundable credit payment from the Federal government equal to a percentage of the interest payments made. Issuers of Build America Bonds receive a credit payment equal to 35 percent of interest payable, and issuers of recovery zone economic development bonds receive a credit payment equal to 45 percent of interest payable. The bond programs authorized by ARRA expired for new issues on January 1, 2011; however, issuers of bonds created under ARRA continue to request credit payments for previously issued bonds by filing Form 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds*.

The Hiring Incentives to Restore Employment Act of 2010 (HIRE), enacted on March 18, 2010, extended the direct payment provision to certain issuers of specified tax credit bonds. In lieu of issuing bonds with a tax credit to the bondholder, issuers of specified tax credit bonds may elect to receive a Federal direct payment on an interest payment date equal to a certain percentage of the interest paid.[19] Specifically, issuers of qualified school construction bonds and qualified zone academy bonds could receive the lesser of 100 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. Issuers of new clean renewable energy bonds and qualified energy conservation bonds receive the lesser of 70 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. Once an issuer elected to treat a bond as a direct payment bond, the bondholders received taxable interest payments from the issuer instead of a tax credit. All direct payment bonds issued in Calendar Year 2011 were specified tax credit bonds. Issuers of specified tax credit bonds are required to file Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*. With this form, direct payment bond issuers are required to attach a debt service schedule containing the following information: type of interest rate (variable or fixed), frequency of interest payments, total principal outstanding on each interest payment date, credit payment expected from the IRS, and earliest call date of the bond.

A total of 614 specified tax credit bonds raised nearly $6.2 billion in bond proceeds in 2011 (Figure J). Qualified school construction bonds made up 83.8 percent of total direct payment bond proceeds, with slightly less than $5.2 billion issued in 2011. Qualified zone academy bonds ($562 million), qualified energy conservation bonds ($304 million), and new clean renewable energy bonds ($131 million) accounted the remaining proceeds for the year.

Figure J

Specified Tax Credit Bonds, by Bond Type, 2011

[Money amounts are in millions of dollars]

Bond type [1]	Specified tax credit bonds [2]		
	Number	Amount	Percentage of total amount
	(1)	(2)	(3)
Total	**614**	**6,156**	**100.0**
Qualified School Construction Bonds	446	5,159	83.8
Qualified Zone Academy Bonds	88	562	9.1
Qualified Energy Conservation Bonds	65	304	4.9
New Clean Renewable Energy Bonds	15	131	2.1

[1] Includes tax credit bonds reported on Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds,* that indicates the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).
[2] Excludes bonds reported on Form 8038-TC that did not indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

Ten States accounted for slightly more than $3.6 billion in specified tax credit bond issuance, 58.9 percent of the $6.2 billion total for 2011 (Figure K). According to the 2011 Census, these States combined accounted for nearly 45.2 percent of the U.S. population. California had slightly more than $1.1 billion in bond issuance, which made it the single largest issuer of specified tax credit bonds. In comparison, Pennsylvania issued $430 million (7.0 percent) and Georgia issued $389 million (6.3 percent) of all specified tax credit bonds for the year. However, Pennsylvania (4.1 percent) and Georgia (3.2 percent) represented smaller shares of the U.S. population.

Direct payment bond issuers are required to file Form 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds* to request credit payments as interest payments are made throughout the term of the bond. Credit payments received by issuers in 2011 were not subject to sequestration cuts. During 2011, issuers reported nearly $11.3 billion in interest to direct payment bond holders and requested 9,098 credit payments totaling $4.3 billion (Figure L).[20] This 138.8-percent increase from the $1.8 billion requested in 2010 resulted from the many issuers requesting their first credit payments for interest paid to bondholders in 2011. The number of Forms 8038-CP filed for direct payment

[19] Internal Revenue Notice 2010-35 states, “Section 301 of the Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, 124 Stat. 71 (2010) (the “HIRE Act”) added subsection (f) to section 6431 of the Code, which authorizes issuers to irrevocably elect to receive Federal direct payments of allowances of refundable tax credits to subsidize a prescribed portion of their borrowing costs instead of the Federal tax credits that otherwise would be allowed to holders of certain qualified tax credit bonds under section 54A. For more information regarding the HIRE Act see Internal Revenue Notice 2010–35

[20] Form 8038-CP, *Return for Credit Payment to Issuers of Qualified Bonds*, is used by issuers of Build America Bonds, recovery zone economic development bonds, and specified tax credit bonds who elect to receive a direct payment from the Federal Government equal to a percentage of the interest payments on these bonds. Specifically, issuers of Build America Bonds receive a credit payment equal to 35 percent of interest payable, and issuers of recovery zone economic development bonds receive a credit payment equal to 45 percent of interest payable. For specified tax credit bonds, the amount of refundable credit payments for qualified zone academy bonds and qualified school construction bonds are the lesser of 100 percent of the interest payable or 100 percent of the amount of interest determined at the applicable tax credit rate under 54A(b)(3). The amount of refundable credit payments for new clean renewable energy bonds and qualified energy conservation bonds are the lesser of 70 percent of the interest payable or 70 percent of the amount of interest determined at the applicable tax credit rate under 54A(b)(3).

Figure K

Specified Tax Credit Bonds, for All States and Top 10 States, 2011

[Money amounts are in millions of dollars]

State of issue	Specified tax credit bonds [1]			
	Number	Amount	Percentage of total amount	Rank
	(1)	(2)	(3)	(4)
All States	**614**	**6,156**	**100.0**	**N/A**
Top 10 States Combined	**264**	**3,628**	**58.9**	**N/A**
California	88	1,149	18.7	1
Pennsylvania	7	430	7.0	2
Georgia	13	389	6.3	3
New York	15	388	6.3	4
Texas	48	290	4.7	5
Massachusetts	12	228	3.7	6
Kentucky	21	198	3.2	7
Virginia	3	196	3.2	8
Arizona	31	187	3.0	9
Michigan	26	174	2.8	10

N/A--Not applicable. Rank applies only to individual states.
[1] Combines tax credit bonds reported on Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds,* that indicates the issuer elected to apply Internal Revenue Code section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A). Table excludes data for U.S. Possessions.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

bonds allowable under ARRA (6,563) accounted for almost 89 percent of the total credit payments requested. Build America Bond issuers accounted for nearly 85 percent of all credit payments requested in 2011. Issuers of recovery zone economic development bonds requested an additional $169 million in credit payments. Issuers of direct payment bonds allowable under HIRE filed 2,535 Forms 8038-CP, requesting $472 million in credit payments, just less than 11.1 percent of all credit payments requested in 2011. Issuers of qualified school construction bonds filed 1,868 Forms 8038-CP and received $426 million in credit payments. The remaining 667 credit payment requests for issues allowable under HIRE were for qualified zone academy, qualified energy conservation, and new clean renewable energy bonds, totaling $47 million in credit payments.

Figure M presents the total amount of credit payment outlays requested by issuers of direct payment bonds allowable under ARRA and HIRE by bond type, and shows selected State data regarding credit payment requests. Issuers of the Build America Bonds requested just over $3.6 billion, nearly 85 percent of the total. One likely reason for this is that the program was not subject to volume cap restrictions, unlike all other direct payment bond programs.[21] Interestingly, States with the highest overall direct payment bond credit payment requests nearly mirrored the States with the highest requests for credit payments under the Build America Bond program, with the exception of Colorado.

Issuers of qualified school construction bonds received $426 million in credit payments in 2011 (Figure M). California, Michigan, and Florida requested the greatest amount of credit

Figure L

Interest and Credit Payment Outlays to Issuers of Direct Payment Bonds, by Bond Type, 2011

[Money amounts are in millions of dollars]

Direct payment bond type	Number of Forms 8038-CP filed	Interest payable to bondholders	Credit payment outlays
	(1)	(2)	(3)
Direct payment bonds, total [1][2]	**9,098**	**11,266**	**4,271**
Total, direct payment bonds allowable under the American Recovery and Reinvestment Act (ARRA)	**6,563**	**10,747**	**3,798**
Build America Bond	5,439	10,371	3,629
Recovery Zone Economic Development Bond	1,124	375	169
Specified tax credit bonds allowable under the Hiring Incentives to Restore Employment Act (HIRE), total	**2,535**	**519**	**472**
Qualified School Construction Bond	1,868	457	426
Qualified Zone Academy Bond	290	21	20
Qualified Energy Conservation Bond	222	21	14
New Clean Renewable Energy Bond	155	20	13

[1] Form 8038-CP, *Return for Credit Payment to Issuers of Qualified Bonds*, is used by issuers of Build America Bonds, recovery zone economic development bonds, and specified tax credit bonds who elect to receive a direct payment from the Federal Government equal to a percentage of the interest payments on these bonds. Specifically, issuers of Build America Bonds receive a credit payment equal to 35 percent of interest payable, and issuers of recovery zone economic development bonds receive a credit payment equal to 45 percent of interest payable. For specified tax credit bonds the amount of refundable credit payments for qualified zone academy bonds and qualified school construction bonds is the lesser of 100 percent of the interest payable or 100 percent of the amount of interest determined at the applicable tax credit rate under Internal Revenue Code section 54A(b)(3). The amount of refundable credit payments for new clean renewable energy bonds and qualified energy conservation bonds is the lesser of 70 percent of the interest payable or 70 percent of the amount of interest determined at the applicable tax credit rate under section 54A(b)(3).
[2] Credit payment outlays were not subject to sequestration cuts in 2011.
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

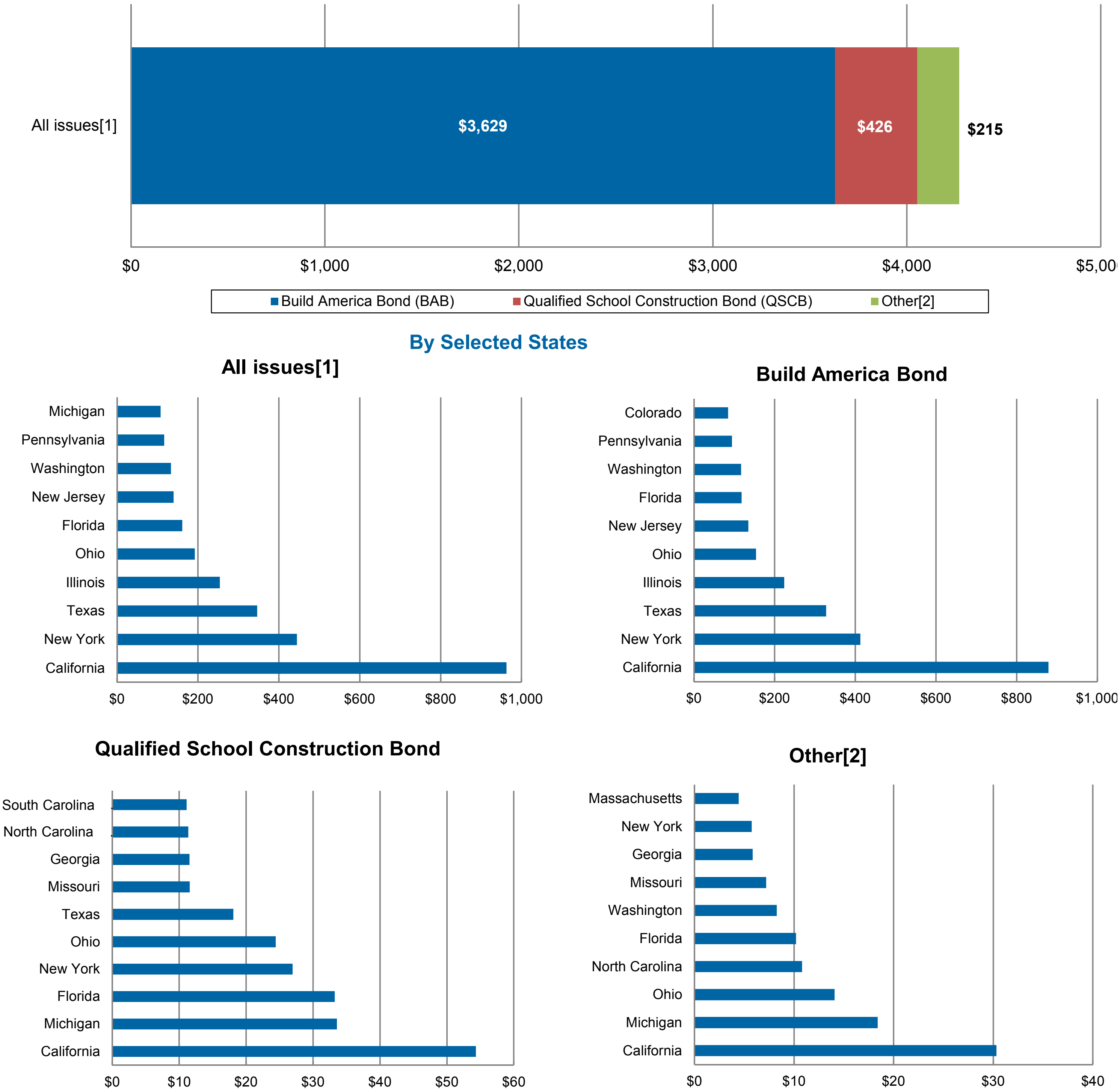
payments under the qualified school construction bond program. Both South Carolina and Missouri were among the top States requesting credit payments for qualified school construction bonds despite having lower populations than other leading States requesting these credit payments. All other direct payment bond program issuers (qualified energy conservation, qualified zone academy, new clean renewable energy, and recovery zone economic development bonds) requested $215 million in credit payments. These programs are grouped together to avoid disclosure of any specific tax paying entity.

Figure N shows the percentage of credit payment outlays received by issuers of direct payment bonds classified by State population and bond type. SOI created these classifications by placing States in rank order by population size, and separating them into three equal groups. State classifications include all 50 States, the District of Columbia, and Puerto Rico. All direct payment bond programs, with the exception of the Build America Bond program, are subject to volume cap limitations. While volume cap is allocated in different ways, a reasonable metric

[21] For information on the Build America Bond program and volume cap restrictions, see Barnes, Aaron," Municipal Bonds 2010," *Statistics of Income Bulletin*, Spring 2013, Volume 32, Number 4 at http://www.irs.gov/pub/irs-soi/13ebsprbulbonds.pdf.

Figure M

Credit Payment Outlays to Issuers of Direct Payment Bonds, by Bond Type, 2011
[Money amounts are in millions of dollars]



[1] Credit payment outlays were not subject to sequestration cuts in 2011.
[2] Other includes recovery zone economic development, qualified zone academy, qualified energy conservation, and new clean renewable energy bonds as reported on Form 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds.*
NOTE: All dollar amounts are reported in millions of dollars.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

is to compare credit payments by population size for direct payment bond programs.[22] States with large populations have a combined population of 218 million people, representing 69.2 percent of the United States population. States with large populations received 78.0 percent of all credit payments requested by issuers of direct payment bonds, which suggests that the most populous states requested credit payments for direct payment bonds at a higher rate than States with lower populations. These States also received the highest shares of all credit payments requested by issuers of Build America Bonds (79.7 percent), qualified school construction bonds (69.7 percent), and other bond types (66.1 percent).

States with medium-size populations had a combined population of 76 million people, representing 24.1 percent of the United States population (Figure N). These States requested less credit payments (16.3 percent) than their share of the population and of all credit payments made to issuers of Build America Bonds (15.2 percent). This is due to the low percentage of credit payments requested by issuers of Build American Bonds. However, States in this population-size category requested credit payments for direct payment bond programs subject to the specific volume caps at a rate comparable to their share of the population. States in this size category received about equal shares of the overall credit payments for qualified school construction bonds (22.3 percent) and credit payments requested by issuers of all other bonds combined (22.2 percent).

States with small-size populations had a combined population of 21 million people, representing 6.7 percent of the United States population. Collectively, States in this population-size category received 5.7 percent of all credit payments to issuers of direct payment bonds, while receiving only 5.1 percent of all credit payments received by issuers of Build America Bonds. Interestingly, these States received 8.0 percent of qualified school construction bond credit payments and 11.4 percent of credit payments for all other bonds combined. This shows that States with the lowest populations utilized these programs at a higher rate than States with larger populations.

Summary

Overall bond issuance fell from $556.9 billion in 2010 to $390.6 billion in 2011. This is most likely the result of the expiration of the Build America Bond program, which ended on January 1, 2011. The majority of municipal bond issuance came from the slightly more than 21,000 tax-exempt governmental bonds issued in 2011, raising $297.3 billion of proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the $232.5 billion of long-term governmental bonds issued, just over $118.4 billion of proceeds financed new projects, while the remaining $114.1 billion of proceeds were used to refund prior governmental bond issues. In addition, nearly 2,500 tax-exempt private activity bonds were issued in 2011, for a total of $86.9 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 IRC section 501(c)(3) organizations (such as hospitals and private universities). Of the nearly $86 billion of long-term private activity bonds issued, just over $40.6 billion of proceeds were used to finance new projects, while the remaining $45.5 billion of proceeds refunded prior tax-exempt private activity bond issues. Proceeds from direct payment bonds totaled less than $6.2 billion and made up 1.6 percent of all municipal bond proceeds in 2011. These direct payment bonds are specified tax credit bonds authorized by The Hiring Incentives to Restore Employment Act of 2010. Credit payments received by issuers of direct payment bonds totaled slightly less than $4.3 billion in 2011, up from $1.8 billion received in 2010. This is the result of many issuers of direct payment bonds requesting their first credit payments for interest paid to bondholders.

Data Sources and Limitations

SOI based the data presented in this article on the populations of Forms 8038, 8038-G, and 8038-TC filed with the Internal Revenue Service for bonds issued during Calendar Year 2011. Form 8038-CP data are population data for credit payments requested during Calendar Year 2011.[23] Tax-exempt bond data exclude returns filed for commercial paper transactions, as well as issues that are loans from the proceeds of another tax-exempt bond issue, an arrangement known as pooled financing. Data for tax credit bonds and specified tax credit bonds were compiled from Forms 8038-TC. Data for credit payments were compiled from Forms 8038-CP filed for interest paid to bondholders in 2011.

Bond issuers were required to file Forms 8038, 8038-G, and 8038-TC by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued. The filing deadline for Form 8038-CP varied based on the structure of the interest payments. In an effort to include as many applicable returns for a particular year as possible, each of the respective study periods extended well beyond established filing deadlines. The Forms 8038, 8038-G, and 8038-TC data include returns processed from January 1, 2011, to April 30, 2013, for bonds issued in 2010. The Form 8038-CP data include returns processed from January 1, 2011, to July 1, 2013, for interest paid during 2011. Where possible, SOI included data from amended returns filed and processed before the cutoff, and excluded late-filed returns processed after the respective cutoff dates.

During statistical processing, returns were subject to thorough testing and correction procedures to ensure data accuracy and validity. SOI conducted additional checks to identify and exclude duplicate returns, and wherever possible, edited returns with incomplete information, mathematical errors, or

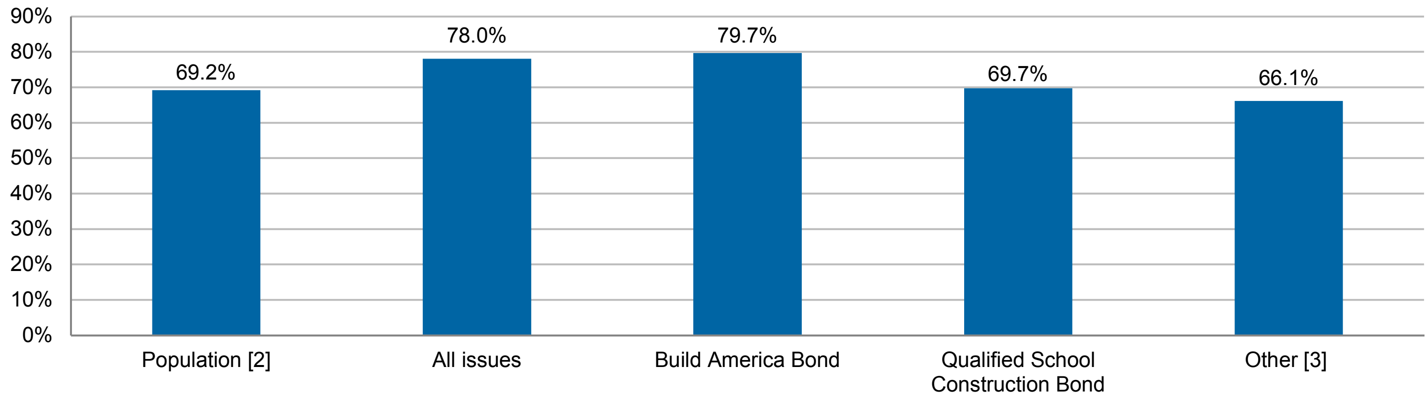
[22] Volume Cap allocations vary by bond program. For example, qualified zone academy bond volume cap allocation was based on poverty rates among populations, while qualified school construction bond volume cap allocation was based on poverty populations among individuals age of 5 and 17 years old. For more information on volume cap for each direct payment bond program, see the Explanation of Selected Terms section of this article.

[23] Filing requirements for Form 8038-CP, *Return for Credit Payment to Issuers of Qualified Bonds*, vary depending on whether the bond has a fixed or variable rate of interest. Fixed rate bonds must file no later than 45 days after the interest payment date and no earlier than 90 before the interest payment date. For variable rate bonds, if the issuer does not know the payment amount 45 days prior to the interest payment date, the issuer must aggregate all credit payments on a quarterly basis and file Form 8038-CP no later than 45 days after the last interest payment date.

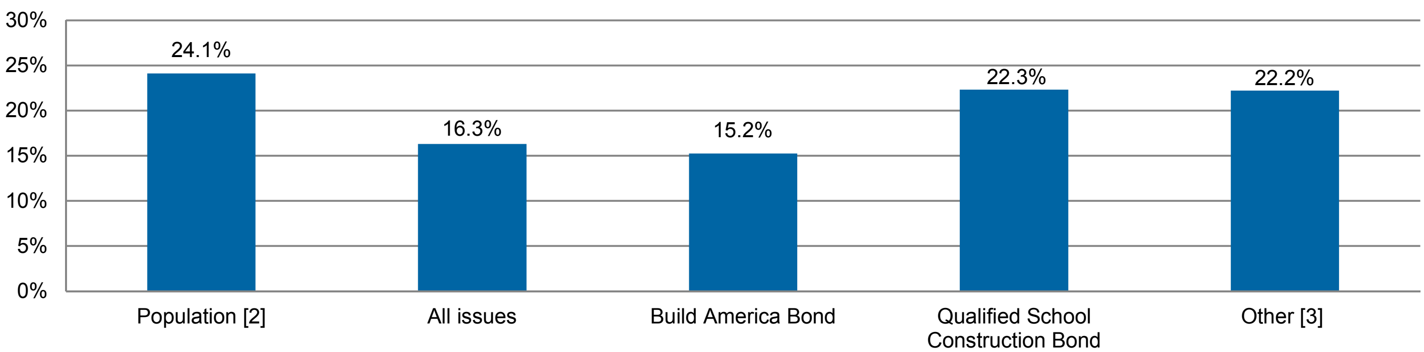
Figure N

Percentage of Credit Payment Outlays Received by Issuers of Direct Payment Bonds, by State Population Classification and by Bond Type, 2011

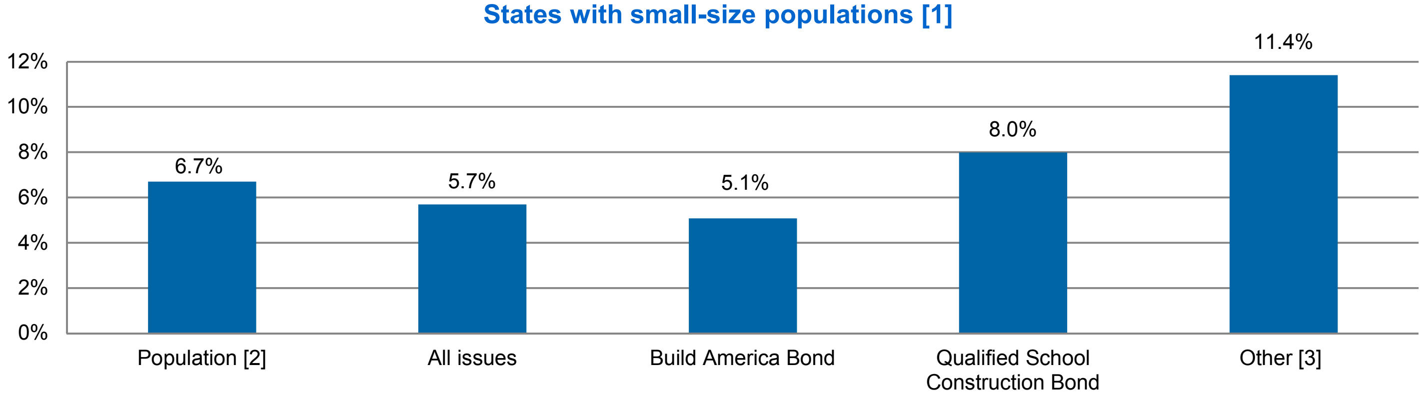
States with large-size populations [1]



States with medium-size populations [1]



States with small-size populations [1]



[1] Classifications are based on population rank and include the District of Columbia and Puerto Rico. States with large-size populations include: California, Texas, New York, Florida, Illinois, Pennsylvania, Ohio, Michigan, Georgia, North Carolina, New Jersey, Virginia, Washington, Massachusetts, Indiana, Arizona, and Tennessee. States with medium-size populations include: Missouri, Maryland, Wisconsin, Minnesota, Colorado, Alabama, South Carolina, Louisiana, Kentucky, Oregon, Oklahoma, Puerto Rico, Connecticut, Iowa, Mississippi, Arkansas, Kansas, and Utah. States with small-size populations include: Nevada, New Mexico, West Virginia, Nebraska, Idaho, Hawaii, Maine, New Hampshire, Rhode Island, Montana, Delaware, South Dakota, Alaska, North Dakota, Vermont, District of Columbia, and Wyoming.
[2] Population shows the percentage of the U.S. resident population who live within each classification. Resident population estimates for July 1, 2011, are produced by the U.S. Bureau of the Census and are available at http://www.census.gov/popest/data/state/totals/2011/tables/NST-EST2011-01.xls.
[3] Other includes recovery zone economic development, qualified zone academy, qualified energy conservation, and new clean renewable energy bonds as reported on Form 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds.*
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

other reporting anomalies 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

American Recovery and Reinvestment Act of 2009 (ARRA)—An act of the 111th Congress passed on February 17, 2009, in response to the economic crisis. The passage of ARRA added to the Internal Revenue Code (IRC) sections 54AA and 1400U-1 through 1400U-3. These IRC sections authorize State and local governments to issue two general types of Build America Bonds, recovery zone economic development bonds, and recovery zone exempt facility bonds.

Arbitrage bond—A bond where at the time of issuance, the issuer of the bond intentionally uses all proceeds or a portion of its proceeds for acquiring a higher yield or to replace funds, which are used to acquire higher yielding investments.

Bond anticipation note (BAN)—A type of short-term governmental bond issue, the proceeds of which are generally used to pay the 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.

Build America Bond (BAB)—The American Recovery and Reinvestment Act (ARRA) added IRC section 54AA to enable State and local governments to issue bonds for authorized purposes to promote economic recovery and job creation. These new types of bonds would be issued as taxable governmental bonds with Federal subsidies to help offset a portion of issuers' borrowing costs. The two distinct types of Build America Bonds—Build America Bond tax credit and Build America Bond direct payment subsidy—vary by the structure of Federal subsidy. For Calendar Year 2010, issuers of Build America Bonds were required to file IRS Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*.

Build America Bond tax credit bond—This type of BAB provides a tax credit to investors in an amount equal to 35 percent of the total coupon interest payable by the issuer of the taxable government bonds.

Build America Bond direct payment bond—This type of BAB provides a refundable credit payment to state or local governmental issuers in an amount equal to 35 percent of the total coupon interest payable to investors.

Clean renewable energy bond (CREB)—A type of tax credit bond used to finance eligible clean renewable energy projects, which are subject to a national volume cap. Issuers of clean renewable energy bonds under IRC Section 54 must be eligible to apply for volume cap allocations. Clean renewable energy bonds were first authorized under the Energy Tax Incentive Act of 2005. For additional information, see Internal Revenue Notice 2007-26.

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 designated "empowerment zones" or "enterprise communities." These designations are made by the Secretaries of Agriculture and Housing and Urban Development and last for a 10-year period though empowerment zone designation was extended to December 31, 2013. 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, and qualified residential rental projects. They also include 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 that is not a private activity bond (see below) and is issued by a State or local government unit. The interest on a governmental 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 of 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 that 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, 2012; 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, 2012. (See Internal Revenue Service Notice 2006-41, Internal Revenue Bulletin 2006-18, for additional information.)

The Hiring Incentives to Restore Employment Act of 2010 (HIRE)—Enacted on March 18, 2010, HIRE provides an option for issuers of certain qualified tax credit bonds ("specified tax credit bonds") to irrevocably elect to issue the bonds with a direct pay subsidy, in the same manner as the build America bonds direct pay subsidy. The issuer of these bonds will receive an interest payment subsidy from the Federal government. Bondholders will receive a taxable interest payment from the issuer instead of a tax credit. For additional information, please see Internal Revenue Notice 2010-35.

Midwestern tax credit bond—A type of tax credit bond whose issuers are located in specific counties in Arkansas, Illinois, Indiana, Iowa, Missouri, Nebraska, and Wisconsin that were adversely affected by severe storms, tornadoes, or flooding (collectively referred to as "the Midwestern disaster area"). Midwestern tax credit bonds were only authorized for issuance during Calendar Year 2010. See Internal Revenue Notice 2008-109 for additional information.

New clean renewable energy bond (NEWCREB)—Any bond issued as part of an issue if: (1) 100 percent of the available project proceeds of such issue are to be used for capital expenditures incurred by governmental bodies, public power providers, or cooperative electric companies for one or more qualified renewable energy facilities; (2) the bond is issued by a qualified issuer; and (3) the issuer designates such bond for purposes of IRC section 54C.

Issuers of new clean renewable energy bonds receive 70 percent of the interest paid to the borrower if the interest were determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a new clean renewable energy bond was issued as a specified tax credit bond, issuers can receive the lesser of 70 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on new clean renewable energy bonds, see IRC section 54C and Internal Revenue Notice 2010-35.

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 State of New York or any political subdivision thereof must issue the bond; (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, 2014. 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 energy conservation bond—Any bond issued as part of an issue if: (1) 100 percent of the available project proceeds of such issue are to be used for one or more qualified conservation purposes; (2) the bond is issued by a State or local government; and (3) the issuer designates such bond for purposes of IRC section 54D.

Issuers of qualified energy conservation bonds receive 70 percent of the interest paid to the borrower if the interest were determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a qualified energy conservation bond was issued as a specified tax credit bond issuers can receive the lesser of 70 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on new, clean renewable energy bonds, see IRC section 54D and Internal Revenue Notice 2010-35.

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. A State or local government must nominate the project, and the issuer must 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, 2012. (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 hospital bond—Type of qualified section 501(c)(3) bond issue of which 95 percent or more of the net proceeds are to be used to finance a hospital.

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 school construction bond (QSCB)—A type of tax credit bond, of which 100 percent of the bond proceeds are to be used for construction, rehabilitation, repair, or land acquisition in connection with a public school facility, which is issued by a State or local government within the jurisdiction of where the school is located. QSCBs are subject to a national volume cap to be allocated by the Treasury among the States. The American Recovery and Reinvestment Act of 2009 (ARRA) created IRC section 54F authorizing QSCBs.

The Hiring Incentives to Restore Employment Act of 2010 allowed issuers of QSCBs to receive 100 percent of the interest paid to the borrower if the interest were determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a QSCB was issued as a specified tax credit bond issuers can receive the lesser of 100 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on QSCBs, see IRC section 54E and Internal Revenue Notice 2010-35.

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.

Qualified zone academy bond (QZAB)—A type of tax credit bond issued by a State or local government to finance certain eligible public school purposes authorized under IRC section 54E. QZABs are subject to a national volume cap to be allocated by the Treasury among the States.

Issuers of QZABs receive 100 percent of the interest paid to the borrower if the interest were determined at the tax credit bond rate determined under section 54A(b) (3) for qualified tax credit bonds. If a QZAB was issued as a specified tax credit bond issuers can receive the lesser of 100 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on QZABs, see IRC section 54E and Internal Revenue Notice 2010-35.

Recovery zone bond—The American Recovery and Reinvestment Act (ARRA) added IRC sections 1400U-1 through 1400U-3 authorizing State and local governments to issue recovery zone bonds. These bonds provide tax incentives through lower borrowing costs and are intended to promote job creation and economic recovery in targeted areas particularly affected by employment declines. See Internal Revenue Notice 2009-50 for additional information.

Recovery zone economic development bond—Authorized under IRC section 1400U-2, this type of bond provides for a deeper Federal subsidy through a refundable credit payment to state or local governmental issuers in an amount equal to 45 percent of the total coupon interest payable to investors. A recovery zone economic development bond must be a Build America Bond, the proceeds of which must be used for one or more qualified economic development purposes. Recovery zone economic development bonds are allocated under a $10 billion national bond volume cap. For Calendar Year 2010, issuers of recovery zone exempt facility bonds were required to file IRS Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*.

Recovery zone exempt facility bond—Authorized under IRC section 1400U-3, which expanded the definition of the term "exempt facility bond" to include any recovery zone facility bond. A recovery zone exempt facility bond must be a qualified private activity bond under IRC Section 142, the proceeds of which may be used to finance certain "recovery zone property." Recovery zone exempt facility bonds are allocated under a $15 billion national bond volume cap. For Calendar Year 2011, issuers of recovery zone exempt facility bonds were required to file IRS Form 8038, *Information Return for Tax-Exempt Private Activity Bonds*.

Specified tax credit bonds—New clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds and qualified school construction bonds are specified tax credit bonds for purposes of IRC section 6431(f). As a result of legislation in the HIRE Act, issuers of these bonds can elect to receive the tax credit in the form of a direct payment subsidy instead of the bondholder (investor) receiving the tax credits. Issuers are required to file IRS Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*, to report such issues. See IRC section 54 and Internal Revenue Notice 2010-35.

Tax credit bond—Tax credit bonds are not interest-bearing obligations. The holder of a tax credit bond is generally allowed an annual Federal income tax credit while the bond is outstanding. The amount of the credit is equal to the face amount of the bond multiplied by the credit rate of the bond. Unique to all other tax credit bonds, issuers of certain qualified tax credit bonds, specifically new clean renewable energy bonds and qualified energy conservation bonds, pay bondholders taxable interest payments in addition to the tax credit the bondholder receives. For additional information, see Internal Revenue Notice 2009-15 and "Frequently Asked Questions on Qualified Tax Credit Bonds and Specified Tax Credit Bonds" at http://www.irs.gov/pub/irs-tege/tc_and_stcb_q-a._09-07-10_1.5.pdf.

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.

Additional Tabular Data on Tax Stats

SOI conducts annual studies on tax-exempt governmental bonds, tax-exempt private activity bonds, and tax credit bonds using data collected from Forms 8038, 8038-G, and 8038-TC filed by bond issuers. Additional tax-exempt bond data, including data for prior years, is available on SOI's Tax Stats Webpage: http//www.irs.gov/taxstats. Click on "Tax-Exempt Bonds." The direct link for SOI's tax-exempt bond statistics is: http://www.irs.gov/uac/SOI-Tax-Stats-Tax-Exempt-Bond-Statistics.

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Table 1. Tax-Exempt Governmental Bonds, by Type and Term of Issue, 2011

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
All issues, total [1]	**21,138**	**297,350**
Short term	5,420	64,805
Long term	15,718	232,544
New money issues, total	**14,921**	**171,305**
Short term	4,012	52,874
Long term	10,909	118,431
Refunding issues, total	**8,232**	**126,045**
Short term	2,049	11,931
Long term	6,183	114,114

[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.

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 2. Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Type of Issue, 2011

[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)
Total [1]	**15,718**	**232,544**	**10,909**	**118,431**	**6,183**	**114,114**
Education	5,376	63,550	3,603	31,413	2,146	32,138
Health and hospital	312	4,268	249	2,379	98	1,889
Transportation	1,084	30,852	825	18,027	410	12,826
Public safety	1,845	4,862	1,600	2,752	398	2,110
Environment	1,323	15,469	949	8,697	608	6,772
Housing	95	560	58	345	46	215
Utilities	2,138	33,725	1,307	11,530	1,131	22,196
Bond and tax/revenue anticipation notes	220	4,161	192	3,607	44	554
Other purposes [2]	4,695	75,096	3,132	39,681	2,193	35,415

[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" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Information Return for Tax-Exempt Government Obligations.*

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

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 3. Computation of Lendable Proceeds for Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose, 2011

[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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total [2]	**15,718**	**232,544**	**10,144**	**1,954**	**1,083**	**113**	**921**
Education	5,376	63,550	3,571	604	428	37	160
Health and hospital	312	4,268	158	44	3	2	24
Transportation	1,084	30,852	742	194	29	4	57
Public safety	1,845	4,862	709	46	50	2	26
Environment	1,323	15,469	972	124	88	8	114
Housing	95	560	62	7	4	[3]	7
Utilities	2,138	33,725	1,790	325	262	26	278
Bond and tax/revenue anticipation notes	220	4,161	160	11	0	0	5
Other purposes [4]	4,695	75,096	3,251	599	286	35	288

Bond purpose	Allocation to reserve fund—continued	Total lendable proceeds [1]		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Amount	Number	Amount	Number	Amount	Number	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total [2]	**1,615**	**15,718**	**228,862**	**6,183**	**112,619**	**10,909**	**116,244**
Education	211	5,376	62,698	2,146	31,795	3,603	30,903
Health and hospital	53	312	4,169	98	1,847	249	2,322
Transportation	257	1,084	30,398	410	12,724	825	17,674
Public safety	15	1,845	4,799	398	2,083	1,600	2,715
Environment	209	1,323	15,127	608	6,679	949	8,449
Housing	5	95	548	46	210	58	338
Utilities	394	2,138	32,981	1,131	21,840	1,307	11,141
Bond and tax/revenue anticipation notes	1	220	4,150	44	552	192	3,598
Other purposes [4]	469	4,695	73,993	2,193	34,888	3,132	39,105

[1] The amount of lendable proceeds equals the issue price of the bond reduced by the sum of bond issuance costs, credit enhancements, and allocations to reserve funds.
[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] Indicates an amount less than $500,000.
[4] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Information Return for Tax-Exempt Government Obligations*.
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 4. New Money Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Size of Entire Issue, 2011

[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)
Total [2]	**10,909**	**118,431**	**4,188**	**992**	**1,298**	**891**	**2,747**	**5,973**
Education	3,603	31,413	1,386	328	430	303	753	1,666
Health and hospital	249	2,379	74	14	20	14	69	129
Transportation	825	18,027	302	63	69	42	191	298
Public safety	1,600	2,752	935	224	197	130	262	425
Environment	949	8,697	209	51	110	72	306	530
Housing	58	345	9	2	4	2	21	51
Utilities	1,307	11,530	237	61	150	95	519	1,060
Bond and tax/revenue anticipation notes	192	3,607	34	10	20	13	90	213
Other purposes [3]	3,132	39,681	1,036	239	338	220	826	1,600

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)
Total [2]	**1,081**	**6,726**	**760**	**9,809**	**511**	**17,961**	**324**	**76,079**
Education	377	2,367	316	3,930	248	8,462	93	14,357
Health and hospital	25	167	21	229	18	582	22	1,243
Transportation	91	309	58	359	44	790	70	16,166
Public safety	90	330	55	417	39	620	22	606
Environment	137	620	84	648	61	1,356	42	5,419
Housing	4	30	11	130	3	89	6	40
Utilities	188	916	96	1,089	67	1,891	50	6,418
Bond and tax/revenue anticipation notes	19	119	15	226	5	150	9	2877
Other purposes [3]	380	1,867	271	2,783	160	4,021	121	28,952

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

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

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2011

[Money amounts are in millions of dollars]

State of issue	Total [1]		Bond purpose: 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)
All States	**10,909**	**118,431**	**3,603**	**31,413**	**249**	**2,379**	**825**	**18,027**	**1,600**	**2,752**
Alabama	198	1,374	32	502	d	d	11	30	32	34
Alaska	19	385	4	107	0	0	d	d	d	d
Arizona	126	2,035	63	680	0	0	10	732	26	53
Arkansas	138	676	65	401	d	d	5	51	12	70
California	630	13,164	262	5,743	24	120	13	946	81	176
Colorado	126	1,189	30	475	5	311	3	2	18	28
Connecticut	140	2,001	70	809	3	54	31	313	47	60
Delaware	35	389	6	170	0	0	7	2	15	56
District of Columbia	8	773	d	d	0	0	d	d	d	d
Florida	220	3,052	45	470	d	d	21	346	d	d
Georgia	247	2,499	43	382	3	19	d	d	44	179
Hawaii	9	1,408	0	0	3	14	d	d	d	d
Idaho	33	348	d	d	d	d	5	76	3	1
Illinois	604	4,606	348	1,600	4	135	25	1,623	34	194
Indiana	344	3,349	139	395	9	8	21	52	36	43
Iowa	331	1,440	104	473	12	158	26	26	17	7
Kansas	228	853	44	163	16	47	40	42	17	77
Kentucky	238	941	119	434	d	d	19	67	28	11
Louisiana	154	1,327	27	173	11	154	9	12	34	46
Maine	122	391	46	53	0	0	20	95	27	13
Maryland	116	2,737	22	886	6	257	11	73	25	225
Massachusetts	186	4,078	84	1,592	d	d	41	90	51	85
Michigan	333	5,385	108	686	10	43	15	110	36	78
Minnesota	429	2,632	103	680	6	9	38	513	21	104
Mississippi	168	814	30	165	5	79	d	d	31	17
Missouri	251	1,092	79	349	10	15	18	52	27	40
Montana	25	45	5	16	0	0	0	0	d	d
Nebraska	286	822	35	178	6	18	27	28	d	d
Nevada	26	252	9	129	0	0	0	0	d	d
New Hampshire	72	300	24	118	d	d	8	24	20	23
New Jersey	321	2,880	156	264	d	d	3	1,997	54	43
New Mexico	109	800	50	383	0	0	3	3	30	8
New York	553	14,792	263	1,908	11	178	50	2,213	73	65
North Carolina	303	2,817	33	388	5	169	15	525	101	93
North Dakota	116	352	28	115	0	0	d	d	d	d
Ohio	331	1,758	119	696	6	15	29	110	62	75
Oklahoma	294	1,312	217	630	d	d	11	188	15	26
Oregon	114	1,665	34	430	d	d	5	253	19	90
Pennsylvania	551	4,010	174	968	0	0	37	831	83	86
Rhode Island	36	390	14	53	0	0	4	3	5	2
South Carolina	187	1,223	41	500	d	d	5	188	54	71
South Dakota	49	191	20	175	0	0	d	d	d	d
Tennessee	159	933	26	105	4	7	15	14	20	12
Texas	948	10,186	200	3,276	d	d	56	2,637	119	147
Utah	95	1,522	23	380	4	113	4	750	22	25
Vermont	87	87	24	17	0	0	d	d	19	4
Virginia	151	3,892	42	1,168	d	d	17	1,074	43	95
Washington	164	3,951	35	719	12	22	7	984	22	47
West Virginia	68	458	16	407	d	d	0	0	30	15
Wisconsin	374	2,213	110	752	9	49	111	463	66	79
Wyoming	45	104	28	41	3	51	d	d	d	d
U.S. Possessions [3]	12	2,538	0	0	0	0	0	0	0	0

Footnotes at end of table.

Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2011—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 [2]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All States	**949**	**8,697**	**58**	**345**	**1,307**	**11,530**	**192**	**3,607**	**3,132**	**39,681**
Alabama	5	3	d	d	43	392	0	0	77	408
Alaska	0	0	0	0	0	0	d	d	12	267
Arizona	5	247	0	0	7	119	0	0	22	203
Arkansas	d	d	0	0	22	59	0	0	29	35
California	27	340	5	32	45	1,331	12	2,094	170	2,382
Colorado	d	d	3	15	12	102	d	d	52	218
Connecticut	30	71	4	7	14	320	0	0	60	367
Delaware	4	16	d	d	d	d	0	0	6	115
District of Columbia	0	0	0	0	0	0	0	0	7	291
Florida	13	87	0	0	24	284	4	106	75	1,706
Georgia	75	679	d	d	19	144	0	0	55	1,082
Hawaii	d	d	0	0	0	0	0	0	3	947
Idaho	4	4	0	0	3	4	7	24	7	232
Illinois	23	482	0	0	40	80	0	0	150	491
Indiana	33	1,504	5	2	21	1,141	8	9	72	195
Iowa	19	276	0	0	36	61	13	89	134	349
Kansas	d	d	d	d	46	200	14	40	59	255
Kentucky	7	6	d	d	19	66	4	33	40	241
Louisiana	15	234	0	0	21	43	5	17	34	649
Maine	18	20	0	0	7	6	4	7	35	196
Maryland	30	813	d	d	8	22	d	d	64	429
Massachusetts	48	161	d	d	40	40	4	38	105	2,055
Michigan	61	167	0	0	30	617	3	1	73	3,682
Minnesota	47	168	4	25	74	171	22	64	135	898
Mississippi	11	25	0	0	12	13	d	d	72	510
Missouri	25	137	d	d	30	195	d	d	62	302
Montana	3	14	0	0	d	d	0	0	8	7
Nebraska	12	80	d	d	33	294	11	9	140	203
Nevada	5	46	0	0	d	d	0	0	7	58
New Hampshire	9	24	d	d	3	5	d	d	22	99
New Jersey	12	27	4	76	9	18	d	d	81	438
New Mexico	7	81	0	0	6	12	0	0	14	312
New York	23	508	0	0	20	935	6	105	131	8,880
North Carolina	18	127	d	d	28	249	d	d	105	1,225
North Dakota	5	93	d	d	53	126	d	d	24	15
Ohio	21	47	d	d	20	95	d	d	89	685
Oklahoma	d	d	0	0	22	334	0	0	42	129
Oregon	10	105	d	d	12	200	d	d	28	563
Pennsylvania	117	702	3	9	25	241	18	61	107	1,112
Rhode Island	7	84	0	0	4	9	0	0	9	240
South Carolina	6	52	d	d	19	173	d	d	70	161
South Dakota	0	0	0	0	6	4	0	0	19	11
Tennessee	11	47	0	0	45	235	4	8	54	505
Texas	18	75	d	d	285	2,234	0	0	266	1,770
Utah	3	9	0	0	17	108	0	0	28	137
Vermont	14	12	0	0	9	14	d	d	18	26
Virginia	15	138	0	0	16	113	d	d	60	1,173
Washington	16	454	5	27	27	573	18	122	32	1,003
West Virginia	d	d	0	0	0	0	3	4	12	24
Wisconsin	65	174	d	d	62	109	d	d	139	577
Wyoming	d	d	0	0	0	0	0	0	9	4
U.S. Possessions [3]	d	d	0	0	0	0	d	d	8	1,823

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" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations.*
[3] U.S. Possessions include Guam, Puerto Rico, and the U.S. Virgin Islands.
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municpal Bonds, August 2013.

Table 6. Tax-Exempt Private Activity Bonds, by Type and Term of Issue, 2011

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
All issues, total [1]	**2,474**	**86,907**
Short term	39	949
Long term	2,435	85,958
New money issues, total	**1,571**	**40,648**
Short term	23	151
Long term	1,548	40,496
Refunding issues, total	**1,219**	**46,259**
Short term	17	798
Long term	1,202	45,462

[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.

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 7. Long-Term Tax-Exempt Private Activity Bonds, by Bond Purpose and Type of Issue, 2011

[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)
Total [1]	**2,435**	**85,958**	**1,548**	**40,496**	**1,202**	**45,462**
Airports	56	5,750	15	728	47	5,022
Docks and wharves	44	2,323	6	90	38	2,232
Water, sewage, and solid waste disposal facilities	49	2,200	22	453	29	1,746
Qualified residential rental facilities	329	6,546	261	5,165	80	1,381
Local electricity or gas furnishing facilities	d	d	d	d	0	0
Tax Reform Act of 1986 transition property bonds	30	1,549	0	0	30	1,549
Qualified enterprise zone facility bonds	d	d	0	0	d	d
Qualified New York Liberty Zone bonds	5	4,640	d	d	d	d
2008 Housing Act bonds issued under IRC section 142	d	d	d	d	0	0
Local heating/cooling facility bonds	d	d	d	d	d	d
Qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds	32	2,034	17	1,484	15	551
Environmental enhancements of hydroelectric generating facilities	d	d	0	0	d	d
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	36	630	36	630	0	0
Qualified Hurricane Ike disaster area exempt facility bonds	5	231	5	231	0	0
Qualified mortgage bonds	135	9,953	119	7,488	59	2,465
Qualified veterans' mortgage bonds	4	322	d	d	d	d
Qualified small issue bonds	318	480	249	308	72	172
Qualified student loan bonds	10	1,268	6	640	6	628
Qualified redevelopment bonds	d	d	d	d	0	0
Qualified hospital facilities	351	23,158	195	8,953	156	14,205
Qualified section 501(c)(3) nonhospital bonds	1,064	24,573	632	13,340	432	11,232
Nongovernmental output property bonds	d	d	0	0	d	d
Other purposes [2]	6	77	3	13	3	64

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" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues.*

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

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 8. Computation of Lendable Proceeds for Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, 2011

[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)
Total [2]	**2,435**	**85,958**	**1,257**	**502**	**104**	**44**	**282**	**694**
Airports	56	5,750	47	36	6	1	10	43
Docks and wharves	44	2,323	34	12	d	d	4	44
Water, sewage, and solid waste disposal facility bonds	49	2,200	22	13	5	[3]	4	12
Qualified residential rental facility bonds	329	6,546	63	17	12	17	27	17
Tax Reform Act of 1986 transition property bonds	30	1,549	d	d	0	0	d	d
Qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds	32	2,034	d	d	d	d	0	0
Qualified Midwestern disaster area exempt facility bonds	36	630	30	9	d	d	d	d
Qualified mortgage bonds	135	9,953	31	19	0	0	24	42
Qualified small issue bonds	318	480	d	d	9	1	d	d
Qualified student loan bonds	10	1,268	3	2	0	0	6	38
Qualified hospital facilities	351	23,158	237	170	13	6	31	178
Qualified section 501(c)(3) nonhospital bonds	1,064	24,573	726	200	52	16	174	313
All other bonds, combined [4]	29	5,495	16	10	d	d	d	d

Selected bond purpose	Total lendable proceeds [1]		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
Total [2]	**2,435**	**84,718**	**1,202**	**44,936**	**1,609**	**39,783**
Airports	56	5,670	47	4,954	16	716
Docks and wharves	44	2,266	38	2,177	d	d
Water, sewage, and solid waste disposal facility bonds	49	2,174	29	1,730	23	444
Qualified residential rental facility bonds	329	6,495	80	1,377	262	5,117
Tax Reform Act of 1986 transition property bonds	30	1,549	30	1,549	d	d
Qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds	32	2,021	17	550	17	1,471
Qualified Midwestern disaster area exempt facility bonds	36	617	0	0	36	617
Qualified mortgage bonds	135	9,892	59	2,450	120	7,442
Qualified small issue bonds	318	476	72	172	250	304
Qualified student loan bonds	10	1,229	6	616	7	613
Qualified hospital facilities	351	22,803	228	14,035	202	8,767
Qualified section 501(c)(3) nonhospital bonds	1,064	24,044	622	11,048	678	12,996
All other bonds, combined [4]	29	5,482	14	4,278	15	1,204

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

[1] The amount of lendable proceeds equals the issue price of the bond reduced by the sum of bond issuance costs, credit enhancements, and allocations to reserve funds.

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

[4] 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, *Information Return for Tax-Exempt Private Activity Bond Issues,* as well as bonds issued for: local electricity or gas furnishing facility bonds, qualified enterprise zone facility bonds, qualified New York Liberty Zone bonds, 2008 Housing Act bonds issued under IRC section 142, local heating/cooling facility bonds, environmental enhancements of hydroelectric generating facility bonds, qualified Hurricane Ike disaster area exempt facility bonds, qualified veterans' mortgage bonds, qualified redevelopment bonds, and nongovernmental output property bonds.

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

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 9. New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Size of Entire Issue, 2011

[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)
Total [1]	**1,548**	**40,496**	**214**	**57**	**277**	**741**	**288**	**1,886**
Airports	15	728	0	0	d	d	5	28
Docks and wharves	6	90	0	0	d	d	d	d
Water, sewage, and solid waste disposal facility bonds	22	453	d	d	3	8	d	d
Qualified residential rental facility bonds	261	5,165	d	d	d	d	76	558
Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds	17	1,484	0	0	0	0	d	d
Qualified Midwestern disaster area exempt facility bonds	36	630	0	0	d	d	8	64
Qualified mortgage bonds	119	7,488	0	0	0	0	d	d
Qualified small issue bonds	249	308	183	40	43	117	20	121
Qualified student loan bonds	6	640	0	0	0	0	0	0
Qualified hospital facilities	195	8,953	6	4	15	47	23	157
Qualified section 501(c)(3) nonhospital bonds	632	13,340	19	10	156	396	147	892
All other bonds, combined [2]	15	1,217	d	d	d	d	3	18

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)
Total [1]	**317**	**4,281**	**163**	**4,733**	**141**	**7,613**	**148**	**21,185**
Airports	d	d	3	113	d	d	d	d
Docks and wharves	d	d	d	d	0	0	0	0
Water, sewage, and solid waste disposal facility bonds	7	129	4	155	d	d	0	0
Qualified residential rental facility bonds	92	1,361	26	777	16	1,052	7	1,284
Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds	d	d	3	98	7	453	5	905
Qualified Midwestern disaster area exempt facility bonds	9	130	d	d	5	371	0	0
Qualified mortgage bonds	d	d	27	831	39	2,146	36	4,290
Qualified small issue bonds	3	30	0	0	0	0	0	0
Qualified student loan bonds	d	d	d	d	d	d	3	540
Qualified hospital facilities	38	517	27	703	33	1,520	53	6,005
Qualified section 501(c)(3) nonhospital bonds	152	1,817	73	1,903	36	1,498	49	6,822
All other bonds, combined [2]	d	d	d	d	5	334	d	d

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] 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, *Information Return for Tax-Exempt Private Activity Bond Issues*, as well as bonds issued for: local electricity or gas furnishing facility bonds, Qualified New York Liberty Zone bonds, 2008 Housing Act bonds issued under IRC section 142, local heating/cooling facility bonds, Qualified Hurricane Ike disaster area exempt facility bonds, qualified veterans' mortgage bonds, qualified redevelopment bonds.

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

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2011

[Money amounts are in millions of dollars]

State of issue	Total [1]		Selected bond purpose											
			Qualified residential rental facility bonds		Qualified mortgage bonds		Qualified small issue bonds		Qualified hospital facility bonds		Qualified section 501(c)(3) nonhospital bonds		All other bonds, combined [2]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All States	**1,548**	**40,496**	**261**	**5,165**	**119**	**7,488**	**249**	**308**	**195**	**8,953**	**632**	**13,340**	**117**	**5,242**
Alabama	22	820	0	0	0	0	d	d	d	d	8	67	9	734
Alaska	3	324	0	0	d	d	0	0	d	d	d	d	0	0
Arizona	13	312	d	d	0	0	0	0	7	210	d	d	0	0
Arkansas	11	157	0	0	d	d	d	d	d	d	5	32	0	0
California	143	4,612	82	1,084	d	d	d	d	12	1,143	40	2,099	5	67
Colorado	26	534	d	d	d	d	7	10	3	275	13	112	0	0
Connecticut	18	668	3	104	3	128	d	d	3	176	8	191	d	d
Delaware	8	128	d	d	3	87	0	0	0	0	d	d	0	0
District of Columbia	20	760	9	130	d	d	0	0	0	0	9	419	d	d
Florida	68	1,602	24	282	8	505	d	d	d	d	25	522	4	83
Georgia	33	688	d	d	4	227	6	21	d	d	20	356	0	0
Hawaii	4	147	d	d	d	d	0	0	0	0	0	0	0	0
Idaho	d	d	d	d	0	0	0	0	0	0	0	0	0	0
Illinois	77	1,690	6	128	d	d	41	8	8	380	21	1,060	d	d
Indiana	38	922	0	0	3	216	3	19	5	230	16	232	11	225
Iowa	114	560	0	0	d	d	72	20	d	d	19	129	18	263
Kansas	22	235	0	0	0	0	d	d	3	42	8	188	d	d
Kentucky	22	656	0	0	d	d	0	0	7	434	d	d	0	0
Louisiana	30	936	4	39	4	126	0	0	4	184	10	279	9	309
Maine	9	395	3	21	d	d	0	0	d	d	5	13	0	0
Maryland	25	725	3	72	5	370	0	0	d	d	13	217	d	d
Massachusetts	71	2,655	12	301	d	d	5	16	11	435	42	1,728	d	d
Michigan	28	638	d	d	d	d	d	d	14	456	12	81	0	0
Minnesota	69	785	6	131	8	194	6	6	3	19	42	339	4	96
Mississippi	4	520	0	0	d	d	0	0	0	0	d	d	3	469
Missouri	56	759	5	70	d	d	d	d	5	65	17	405	0	0
Montana	10	191	0	0	d	d	0	0	4	121	3	7	d	d
Nebraska	19	252	0	0	d	d	10	5	d	d	4	20	d	d
Nevada	7	186	d	d	4	135	0	0	0	0	0	0	d	d
New Hampshire	12	264	d	d	3	143	d	d	3	69	4	38	0	0
New Jersey	31	1,327	d	d	d	d	4	20	4	184	17	364	d	d
New Mexico	d	d	0	0	d	d	0	0	0	0	0	0	0	0
New York	99	5,325	25	1,925	d	d	d	d	20	710	50	1,416	3	975
North Carolina	16	547	d	d	d	d	d	d	5	172	5	130	d	d
North Dakota	12	187	0	0	d	d	0	0	d	d	7	35	d	d
Ohio	43	1,450	d	d	3	404	d	d	9	692	16	275	0	0
Oklahoma	4	149	0	0	d	d	0	0	0	0	d	d	0	0
Oregon	15	241	4	31	d	d	d	d	d	d	7	67	0	0
Pennsylvania	104	2,260	d	d	3	420	d	d	19	796	63	916	3	87
Rhode Island	10	136	d	d	d	d	0	0	d	d	6	59	0	0
South Carolina	6	113	0	0	d	d	d	d	0	0	4	39	0	0
South Dakota	5	212	0	0	d	d	d	d	d	d	d	d	0	0
Tennessee	20	586	3	15	4	309	d	d	d	d	9	86	d	d
Texas	58	1,972	3	68	10	336	d	d	d	d	27	444	14	844

Footnotes at end of table.

Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2011—Continued

[Money amounts are in millions of dollars]

State of issue	Total [1]		Selected bond purpose											
			Qualified residential rental facility bonds		Qualified mortgage bonds		Qualified small issue bonds		Qualified hospital facility bonds		Qualified section 501(c)(3) nonhospital bonds		All other bonds, combined [2]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Utah	8	110	d	d	d	d	d	d	0	0	4	32	d	d
Vermont	22	109	9	32	d	d	4	1	d	d	3	21	4	16
Virginia	26	780	6	93	d	d	d	d	3	142	14	183	0	0
Washington	32	812	15	151	d	d	d	d	3	368	9	62	d	d
West Virginia	7	214	d	d	0	0	d	d	3	136	d	d	d	d
Wisconsin	38	592	d	d	0	0	d	d	8	135	18	254	11	141
Wyoming	5	153	0	0	d	d	0	0	d	d	d	d	0	0
U.S. Possessions [3]	d	d	0	0	0	0	0	0	d	d	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, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues,* as well as bonds issued for: airports, docks and wharves, water furnishing facility bonds, sewage facility bonds, solid waste disposal facility bonds, local electricity or gas furnishing facility bonds, local heating/cooling facility bonds, 2008 Housing Act bonds issued under IRC section 142, qualified New York Liberty Zone bonds, qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds, qualified Hurricane Ike disaster area exempt facility bonds, and qualified veterans' mortgage bonds.

[3] U.S. Possessions includes Puerto Rico (only Puerto Rico issued private activity bonds).

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

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 11. Tax Credit Bonds and Specified Tax Credit Bonds, by Issue Type, 2011

[Money amounts are in millions of dollars]

Type of bond	All issues		Specified tax credit bonds [1]		Tax credit bonds [2]	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total [3]	**670**	**6,372**	**614**	**6,156**	**56**	**216**
Qualified School Construction Bonds	475	5,313	446	5,159	29	154
Qualified Zone Academy Bonds	111	620	88	562	23	58
All other tax credit bonds, combined [4]	84	439	80	435	4	4

[1] Includes bonds reported on Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A). Issuers who elect to apply section 6431(f) are eligible to receive Federal direct payments and are classified as "specified tax credit bonds" for purposes of this table.

[2] Includes bonds reported on Form 8038-TC that did not indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).

[3] Combines specified tax credit bonds and tax credit bonds reported on Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.*

[4] For purposes of this table, this category combines issues for new clean renewable energy bonds and qualified energy conservation bonds, in order to avoid disclosure of information about specific bonds.

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

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2013.

Table 12: Credit Payment Outlays to Issuers of Direct Payment Bonds, by State of Issue and Bond Type, 2011

[Money amounts are in millions of dollars]

State	All issues [1]		Direct payment bonds					
			Build America Bond		Qualified School Construction Bond		Other [2]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All States	**9,098**	**4,271**	**5,439**	**3,629**	**1,868**	**426**	**1,791**	**215**
Alabama	106	26	40	11	d	d	d	d
Alaska	45	11	22	7	d	d	d	d
Arizona	173	48	109	40	26	8	38	1
Arkansas	111	8	d	d	101	7	d	d
California	681	963	364	878	158	54	159	30
Colorado	212	94	147	85	d	d	d	d
Connecticut	51	48	35	35	d	d	d	d
Delaware	21	11	14	8	d	d	d	d
District of Columbia	20	44	16	40	d	d	d	d
Florida	233	161	160	118	40	33	33	10
Georgia	116	96	47	79	37	12	32	6
Hawaii	20	24	12	22	0	0	8	2
Idaho	30	6	20	4	d	d	d	d
Illinois	631	254	465	224	d	d	d	d
Indiana	248	51	63	41	134	8	51	2
Iowa	118	13	103	11	d	d	d	d
Kansas	169	34	106	31	10	1	53	2
Kentucky	310	68	258	55	23	9	29	3
Louisiana	76	18	61	17	d	d	d	d
Maine	41	3	14	1	13	1	14	[3]
Maryland	105	66	91	58	6	6	8	2
Massachusetts	68	99	37	83	17	11	14	4
Michigan	602	107	181	56	266	34	155	18
Minnesota	311	30	224	21	27	5	60	4
Mississippi	54	19	12	15	36	3	6	[3]
Missouri	492	74	242	55	126	12	124	7
Montana	27	3	d	d	12	2	d	d
Nebraska	176	23	119	19	43	2	14	2
Nevada	92	66	56	57	17	7	19	3
New Hampshire	32	11	15	6	d	d	d	d
New Jersey	97	140	68	135	d	d	d	d
New Mexico	33	8	19	5	d	d	d	d
New York	172	445	133	412	7	27	32	6
North Carolina	293	54	157	32	52	11	84	11
North Dakota	76	5	21	1	39	2	16	1
Ohio	580	192	265	154	179	24	136	14
Oklahoma	75	15	58	14	d	d	d	d
Oregon	98	27	24	19	d	d	d	d
Pennsylvania	220	117	157	94	7	18	56	4
Rhode Island	31	7	d	d	d	d	d	d
South Carolina	146	33	80	20	40	11	26	3
South Dakota	236	12	185	8	27	2	24	2
Tennessee	110	50	95	37	d	d	d	d
Texas	333	347	204	328	123	18	6	1

Footnotes at end of table.

Table 12: Credit Payment Outlays to Issuers of Direct Payment Bonds, by State of Issue and Bond Type, 2011—Continued

[Money amounts are in millions of dollars]

State	All issues [1]		Direct payment bonds					
			Build America Bond		Qualified School Construction Bond		Other [2]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Utah	152	53	119	48	d	d	d	d
Vermont	37	4	24	2	d	d	d	d
Virginia	132	74	109	66	5	6	18	2
Washington	271	133	201	117	32	8	38	8
West Virginia	13	3	d	d	0	0	d	d
Wisconsin	577	47	432	37	91	8	54	3
Wyoming	20	4	d	d	0	0	d	d
U.S. Possessions [4]	25	23	d	d	0	0	d	d

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.
[1] Credit payment outlays were not subject to sequestration cuts in 2011.
[2] Other includes recovery zone economic development, qualified zone academy, qualified energy conservation, and new clean renewable energy bonds as reported on Form 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds.*
[3] Indicates an amount less than $500,000.
[4] U.S. Possessions includes Puerto Rico (only Puerto Rico issued tax credit bonds).
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.

Table 13: Credit Payment Outlays to Issuers of Direct Payment Bonds, by State Population Classification and by Bond Type, 2011

[Money amounts are in millions of dollars]

Bond type	All States		States with large-size populations [1]				States with medium-size populations [2]
	Number	Amount	Number	Percentage of number	Amount	Percentage amount	Number
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Population [4]	**312**	**N/A**	**218**	**70.0**	**N/A**	**N/A**	**76**
All Issues [5]	**9,098**	**4,271**	**4,960**	**54.5**	**3,332**	**78.0**	**3,188**
Build America Bond	5,439	3,629	2,815	51.8	2,892	79.7	2,061
Qualified School Construction Bond	1,868	426	1,096	58.7	297	69.7	556
Recovery Zone Economic Development Bond	1,124	169	654	58.2	109	64.3	329
Quaillified Zone Academy Bond	290	20	157	54.1	12	62.8	114
Qualified Energy Conservation Bond	222	14	87	39.2	9	68.5	128
New Clean Renewable Energy Bond	155	13	151	97.4	12	94.3	0

Bond type	States with medium-size populations [2]—continued			States with small-size populations [3]			
	Percentage of number	Amount	Percentage amount	Number	Percentage of number	Amount	Percentage amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Population [4]	**24.4**	**N/A**	**N/A**	**21**	**6.8**	**N/A**	**N/A**
All Issues [5]	**35.0**	**696**	**16.3**	**950**	**10.4**	**243**	**5.7**
Build America Bond	37.9	553	15.2	563	10.4	184	5.1
Qualified School Construction Bond	29.8	95	22.3	216	11.6	34	8.0
Recovery Zone Economic Development Bond	29.3	38	22.6	141	12.5	22	13.1
Quaillified Zone Academy Bond	39.3	6	30.0	19	6.6	1	7.1
Qualified Energy Conservation Bond	57.7	4	29.0	7	3.2	[6]	2.5
New Clean Renewable Energy Bond	0.0	0	0.0	4	2.6	1	5.7

N/A—Not applicable. Money amounts do not apply to population data.

[1] States with large-size populations include: California, Texas, New York, Florida, Illinois, Pennsylvania, Ohio, Michigan, Georgia, North Carolina, New Jersey, Virginia, Washington, Massachusetts, Indiana, Arizona, and Tennessee.

[2] States with medium-size populations include: Missouri, Maryland, Wisconsin, Minnesota, Colorado, Alabama, South Carolina, Louisiana, Kentucky, Oregon, Oklahoma, Puerto Rico, Connecticut, Iowa, Mississippi, Arkansas, Kansas, and Utah.

[3] States with small-size populations include: Nevada, New Mexico, West Virginia, Nebraska, Idaho, Hawaii, Maine, New Hampshire, Rhode Island, Montana, Delaware, South Dakota, Alaska, North Dakota, Vermont, District of Columbia, and Wyoming.

[4] Population refers to United States resident population rounded to the nearest million. The resident population estimates for July 1, 2011, are produced by the U.S. Bureau of the Census and are available at http://www.census.gov/popest/data/state/totals/2011/tables/NST-EST2011-01.xls .

[5] Credit payment outlays were not subject to sequestration cuts in 2011.

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

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

SOURCE: IRS, Statistics of Income Division, Municipal Bonds, August 2014.