

## **Recent Legislative Changes**

In December 2017, Congress passed the 2017 Tax Cuts and Jobs Act ("An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution of the budget for fiscal year 2018," Pub. L. No. 115-97; enacted December 22, 2017) that made two major changes in the tax-exempt bond area. Namely, the Act repealed the authority to issue tax credit bonds and eliminated the ability for advance refundings:

Repeal of Tax Credit Bonds. Section 13404 of the Act repealed the authority to issue new tax credit bonds. This provision is effective for bonds issued after December 31, 2017, meaning that these types of bonds can no longer be issued. The Act does not change any of the requirements of tax credit bonds that existed prior to December 31, 2017.

Repeal of Advance Refunding Bonds. Section 13532 of the Act repealed the exclusion from gross income on a bond issued to advance refund another bond. This provision is effective for bonds issued to advance refunding bonds issued after December 31, 2017.

Unlike prior tax legislation affecting the bond industry, both changes made by the Act did not provide for transition rules.