

# Tax-Equivalent Yield Calculator

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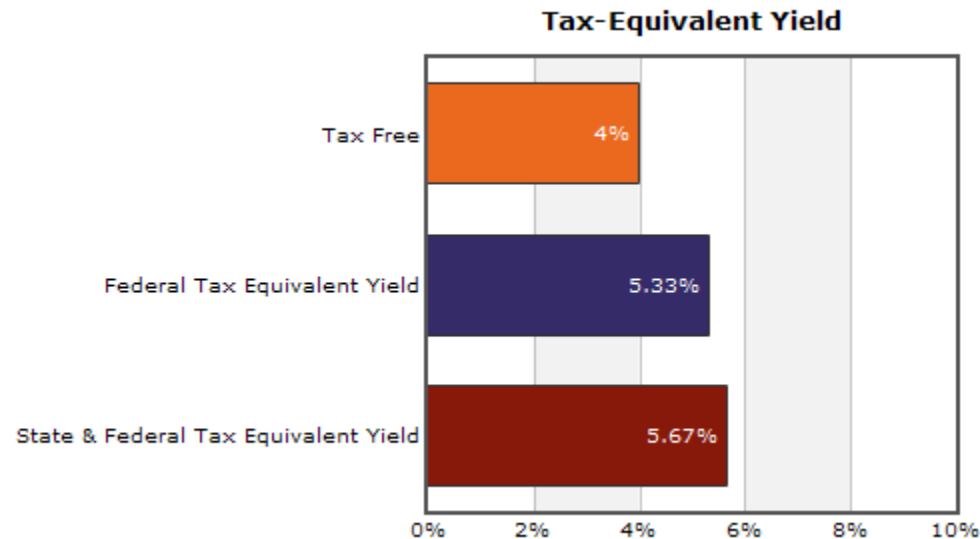
# INTRODUCTION

Use this calculator estimate the tax-equivalent yield for a municipal bond. The higher your marginal tax bracket (state and federal), the higher the tax-equivalent yield.

Note: This calculator assumes state taxes paid are fully deductible on your federal form. If that is not the case then include state tax percentage as part of the federal tax percentage.

# ANALYSIS

A 4.00% tax-free return has a tax-equivalent yield of 5.67% when subject to both federal and state income taxes and 5.33% when exempt from only federal income taxes.



# ASSUMPTIONS

This report is based on the following assumptions:

- Tax-free yield: 4.00%
- Federal marginal tax bracket: 25.00%

- **State marginal tax bracket:** 6.00%

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