

NEWS RELEASE

May 19, 2008

ICI Welcomes U.S. Supreme Court's Municipal Bond Ruling, May 2008

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U.S. Supreme Court Decision Maintains Investor Benefits of State Muni Funds

Washington, DC, May 19, 2008 - The Investment Company Institute issued the following statement in response to the U.S. Supreme Court's 7-2 decision in *Department of Revenue of Kentucky v. Davis*, which permits states to exempt from tax the interest received by their residents from in-state municipal bonds while taxing residents on interest received from out-of state muni bonds:

"Tax-free investment returns are vital for millions of investors. We welcome the Court's decision, which preserves income that is free of state as well as federal taxes for investors who held about \$156 billion in 450 state municipal bond funds at the end of 2007."

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