

Tax-exempt interest dividends by state for Vanguard municipal bond funds and Vanguard Tax-Managed Balanced Fund

Important tax information for 2025

This tax update provides information to help report earnings by state from any Vanguard municipal bond funds and Vanguard Tax-Managed Balanced Fund on year-end tax returns. Tax-exempt interest dividends from these funds, as reported on Form 1099-DIV, Box 12, are taxed differently at the federal, state, and local levels, and may be subject to the alternative minimum tax.

Federal tax treatment. The tax-exempt interest dividends are 100% exempt from federal income tax.

State and local tax treatment. A portion of these dividends may be exempt from state and/or local tax, depending on where the return is filed. State requirements are complex, so consider consulting a tax advisor for a specific state's treatment of tax-exempt interest dividends. In table 2, you'll find the percentage earned in each state or U.S. territory during 2025. If state and/or local tax laws provide for the exemption, multiply the total income distribution shown on Form 1099-DIV, Box 12, by the appropriate percentage. Exclude this amount and report the remaining balance on the tax return.

The tax-exempt interest dividends earned from obligations issued by U.S. territories are generally exempt from state income tax. Therefore, it may be possible to add the "Outside the United States" percentages shown at the bottom of the table to the state-exempt percentage for a total exempt amount.

Alternative minimum tax. Tax-exempt interest dividends from these funds may be subject to the federal alternative minimum tax. For further information, refer to investor.vanguard.com/taxes.

Invested in a Vanguard state-specific municipal bond fund?

If so, investment income received may not be subject to state income tax. In addition to being 100% exempt from federal income taxes, exempt-interest dividends from Vanguard state-specific municipal bond funds (listed below) may be exempt from state taxes to resident shareholders of that state, except where noted. *For example, if a resident of California owns shares of Vanguard California Municipal Money Market Fund, the income reported on Form 1099-DIV, Box 12, is 100% exempt from California state income tax.* Note that tax-exempt income from a state-specific municipal bond fund may be subject to state-imposed alternative minimum tax requirements, depending on the state tax laws that apply.

TABLE 1: VANGUARD STATE-SPECIFIC MUNICIPAL BOND FUNDS	Percentage of income from specified states ¹	Percentage of income from other states
California Intermediate-Term Tax-Exempt Fund	100%	—
California Long-Term Tax-Exempt Fund	100	—
California Municipal Money Market Fund	100	—
California Tax-Exempt Bond ETF	100	—
Massachusetts Tax-Exempt Fund	100	—
New Jersey Long-Term Tax-Exempt Fund	100	—
New York Long-Term Tax-Exempt Fund	100	—
New York Municipal Money Market Fund	100	—
New York Tax-Exempt Bond ETF	100	—
Ohio Long-Term Tax-Exempt Fund	100	—
Pennsylvania Long-Term Tax-Exempt Fund	100	—

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TABLE 2: TAX-EXEMPT INTEREST DIVIDENDS BY STATE FOR 2025

STATE	Limited-Term Tax-Exempt Fund	Ultra-Short-Term Tax-Exempt Fund	Intermediate-Term Tax-Exempt Fund	Long-Term Tax-Exempt Fund	High-Yield Tax-Exempt Fund	Municipal Money Market Fund	Tax-Exempt Bond Index Fund	Short-Term Tax-Exempt Bond ETF	Intermediate-Term Tax-Exempt Bond ETF	Short Duration Tax-Exempt Bond ETF	Core Tax-Exempt Bond ETF	Long-Term Tax-Exempt Bond ETF	Tax-Managed Balanced Fund
Alabama	7.21%	6.65%	4.73%	3.52%	4.02%	0.18%	0.69%	0.82%	0.68%	7.25%	5.25%	0.36%	4.75%
Alaska	0.39	0.11	0.20	0.11	0.04	1.14	0.02	0.02	0.01	0.22	0.05	0.03	0.29
Arizona	1.11	1.51	1.40	1.32	1.55	1.11	1.09	1.28	1.08	0.88	0.69	0.75	1.34
Arkansas	0.22	0.16	0.12	0.05	0.56	0.30	0.08	-	-	0.29	0.18	0.22	0.22
California ²	8.68	7.04	9.41	7.49	10.04	0.77	15.89	14.59	14.36	10.63	8.92	13.31	8.39
Colorado	1.89	1.84	1.76	2.20	2.98	4.04	1.31	0.84	0.99	2.13	2.32	1.14	1.54
Connecticut	1.47	1.14	0.94	0.44	0.61	2.32	1.78	3.28	2.46	1.25	0.38	0.59	0.99
Delaware	0.06	0.05	0.23	0.31	0.17	-	0.12	0.19	0.13	0.14	0.40	-	0.26
District of Columbia	0.85	1.35	1.05	1.61	1.49	2.39	1.85	1.75	1.99	0.97	2.16	2.34	0.78
Florida	3.25	3.46	4.22	4.76	5.65	5.25	3.24	3.00	3.11	4.22	4.52	4.37	3.93
Georgia	4.49	4.70	3.78	3.03	3.35	1.96	1.34	2.18	1.48	3.72	2.80	0.99	3.72
Hawaii	0.24	0.43	0.48	0.35	0.20	0.27	0.38	1.11	0.74	0.31	0.08	0.16	0.26
Idaho	0.20	0.08	0.24	0.39	0.16	0.08	0.10	0.52	0.26	0.25	0.37	0.19	0.27
Illinois ³	7.19	6.56	6.73	5.52	6.90	5.65	6.07	6.53	6.45	8.46	7.66	5.98	6.66
Indiana ⁴	1.13	0.95	1.02	0.54	0.62	1.95	0.62	0.37	0.53	0.86	1.01	0.48	0.99
Iowa	0.18	0.05	0.21	0.17	0.33	0.84	0.10	0.07	0.19	0.36	0.19	-	0.36
Kansas	0.34	0.61	0.22	0.37	0.13	0.15	0.26	0.60	0.16	0.34	0.21	0.10	0.46
Kentucky	2.51	3.22	1.71	1.33	1.67	0.36	0.31	0.63	0.51	2.00	1.48	0.67	1.83
Louisiana	1.55	1.67	0.95	0.63	1.32	0.59	0.56	0.36	0.55	1.66	0.76	0.33	1.05
Maine	0.18	0.37	0.12	0.31	0.29	0.34	0.08	-	-	0.40	0.03	0.08	0.18
Maryland	1.04	1.09	1.01	1.15	1.29	1.77	1.66	3.12	1.81	0.37	1.07	0.78	0.60
Massachusetts	1.55	1.89	1.70	4.30	1.76	1.84	4.43	3.03	3.62	1.69	4.62	4.70	1.63
Michigan	2.31	2.05	2.34	2.04	1.69	2.57	1.20	1.41	1.28	1.29	2.09	1.58	2.17
Minnesota ²	1.20	1.75	0.98	1.21	0.80	0.94	0.42	1.34	0.75	1.10	0.48	0.22	1.37
Mississippi	0.49	0.46	0.37	0.21	0.30	1.31	0.13	0.36	0.24	0.72	0.59	0.05	0.71
Missouri	1.29	1.28	1.05	1.29	1.08	3.19	0.41	0.41	0.24	1.13	0.64	0.27	1.44
Montana	0.26	0.12	0.11	0.16	0.06	-	-	-	-	0.24	0.02	-	0.07
Nebraska	1.11	1.14	0.78	0.84	0.72	1.98	0.40	0.19	0.19	1.12	0.69	0.49	0.57
Nevada	0.28	0.31	0.85	0.49	0.30	0.51	0.52	0.82	0.86	0.21	0.68	0.68	0.70
New Hampshire	0.18	0.16	0.16	0.24	0.19	0.03	0.10	0.03	0.03	0.31	0.04	0.02	0.16
New Jersey	4.06	2.91	3.21	2.23	2.79	2.55	5.55	7.29	5.12	3.34	1.69	3.39	2.56
New Mexico	0.73	0.80	0.29	0.43	0.20	0.42	0.17	0.78	0.30	0.70	0.30	0.01	0.32
New York	11.74	11.47	13.80	16.29	12.09	10.76	24.64	16.91	24.09	7.83	13.14	27.30	13.91
North Carolina	1.14	1.80	0.70	1.19	0.59	0.92	0.69	1.55	0.72	0.89	0.60	0.65	0.69
North Dakota	0.20	0.17	0.09	0.22	0.30	0.27	0.04	0.08	0.03	0.09	0.08	0.01	0.11
Ohio	2.29	2.42	2.26	2.64	2.98	4.84	1.42	2.04	1.47	3.60	3.35	1.32	1.90
Oklahoma	0.41	0.40	0.45	0.77	0.43	0.34	0.71	0.61	0.57	0.55	0.67	0.69	0.52
Oregon	0.71	0.28	0.97	1.24	0.91	1.83	0.68	0.32	0.65	1.36	0.61	0.44	1.17
Pennsylvania	4.21	4.30	4.28	4.34	6.09	5.51	3.49	3.81	3.82	5.19	3.39	3.46	4.35
Rhode Island	0.29	0.24	0.20	0.19	0.21	0.39	0.10	0.27	0.30	0.40	0.71	0.14	0.16
South Carolina	1.37	1.06	1.26	1.66	1.93	1.03	0.73	0.55	0.60	1.19	1.41	0.68	1.12
South Dakota	0.19	0.13	0.16	0.19	0.12	0.39	0.03	0.02	0.01	0.26	0.64	0.04	0.28
Tennessee	2.39	3.57	1.64	1.45	1.21	2.17	0.64	0.48	0.46	3.11	2.06	0.82	1.62
Texas	9.28	10.26	13.26	11.44	7.55	16.71	11.82	8.73	10.19	9.23	12.99	15.23	14.27
Utah ⁵	0.40	0.36	0.67	2.17	1.54	0.91	0.69	0.55	0.79	0.53	1.11	0.71	0.73
Vermont	0.04	0.07	0.10	0.13	0.11	0.11	0.04	-	0.02	0.17	0.26	-	0.10
Virginia	1.03	1.14	1.31	1.64	1.78	2.93	0.96	1.88	1.41	0.65	0.92	1.36	1.03
Washington	2.10	1.79	2.67	1.05	1.63	1.46	2.57	4.25	4.23	1.79	1.81	3.04	3.38
West Virginia	0.14	0.22	0.47	0.53	0.59	-	0.04	-	0.02	0.33	0.27	0.09	0.37
Wisconsin	2.48	2.35	1.53	1.92	3.78	2.05	0.60	1.38	1.12	2.25	2.03	0.39	1.74
Wyoming	0.09	0.01	0.04	0.03	0.02	0.56	0.02	-	-	-	0.23	-	0.11
OUTSIDE THE UNITED STATES													
American Samoa	-	-	-	-	0.05	-	-	-	-	-	-	-	-
Guam	0.17	0.08	0.25	0.14	0.31	-	-	-	-	0.46	0.13	-	0.19
Northern Mariana Islands	-	-	-	-	-	-	-	-	-	-	-	-	-
Puerto Rico	1.76	1.85	1.79	1.89	2.69	-	-	-	-	1.53	1.32	-	1.87
Virgin Islands	0.06	0.12	0.03	-	0.23	-	-	-	-	0.09	-	-	0.03

Notes:

The information provided above applies to all share classes of a fund, including ETFs.

¹The percentage may include income from obligations issued by U.S. territories that are exempt from federal, state, and local income tax.

²California and Minnesota require funds to meet in-state minimum threshold to be exempt from state tax. The funds in Table 2 do not meet this criteria.

³Illinois does not exempt the portion of dividends from state or local obligations held indirectly through a mutual fund.

⁴Interest earned from a direct obligation of another state or political subdivision acquired before January 1, 2012, is exempt from Indiana income tax. For mutual funds, Indiana has provided informal guidance that the exemption applies to shares acquired before January 1, 2012.

⁵See state-specific insert for information regarding exemption.