



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

Important tax information for 2019

This tax update provides information to help you report earnings by state from any of your Vanguard municipal bond funds and Vanguard Tax-Managed Balanced Fund on your year-end tax returns. Tax-exempt interest dividends from these funds, as reported on Form 1099-DIV, Box 11, 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 you file your return. On the reverse side, you'll find the percentage earned in each state or U.S. territory during 2019. If your state and/or local tax laws provide for the exemption, multiply the total income distribution shown on Form 1099-DIV, Box 11, by the appropriate percentage. You can exclude this amount and report the remaining balance on your tax return.

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

Alternative minimum tax. Tax-exempt interest dividends from these funds may be subject to the federal alternative minimum tax. For further information, refer to "Your Vanguard tax-exempt investments and the alternative minimum tax (AMT)" (visit investor.vanguard.com/taxes/, select **State-specific tax information**, and choose **Fund-specific tax information**).

Do you invest in a Vanguard state-specific municipal bond fund?

If so, investment income you've received may not be subject to state income tax. In addition to being 100% exempt from federal income taxes, interest dividends from Vanguard state-specific municipal bond funds (listed below) are 100% exempt from state taxes to resident shareholders of that state. *For example, if you reside in California and own shares of Vanguard California Municipal Money Market Fund, the income reported on Form 1099-DIV, Box 11, 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 to you.

Funds

Vanguard California Municipal Money Market Fund
Vanguard California Intermediate-Term Tax-Exempt Fund
Vanguard California Long-Term Tax-Exempt Fund
Vanguard Massachusetts Tax-Exempt Fund
Vanguard New Jersey Municipal Money Market Fund
Vanguard New Jersey Long-Term Tax-Exempt Fund
Vanguard New York Municipal Money Market Fund
Vanguard New York Long-Term Tax-Exempt Fund
Vanguard Ohio Long-Term Tax-Exempt Fund
Vanguard Pennsylvania Municipal Money Market Fund
Vanguard Pennsylvania Long-Term Tax-Exempt Fund

Questions?

Call us at 877-662-7447 Monday through Friday from 8 a.m. to 8 p.m., Eastern time. Our investment professionals can't provide tax advice; consult a qualified tax professional if your tax situation is complex or if you're uncertain about a specific IRS rule. You can also find a variety of general tax-preparation data and tools at investor.vanguard.com/taxes/.

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Tax-exempt interest dividends by state for 2019

State	Municipal Money Market Fund	Short-Term Tax-Exempt Fund	Limited-Term Tax-Exempt Fund	Intermediate-Term Tax-Exempt Fund	Long-Term Tax-Exempt Fund	High-Yield Tax-Exempt Fund	Tax-Managed Balanced Fund	Tax-Exempt Bond Index Fund
Alabama	0.58%	1.55%	2.30%	1.22%	1.38%	1.22%	1.05%	0.53%
Alaska	0.13	0.20	0.36	0.13	0.15	0.12	0.12	0.03
Arizona	0.97	1.21	1.62	1.95	0.95	0.86	1.88	1.49
Arkansas	0.17	0.01	0.39	0.24	0.09	0.08	0.34	0.04
California	0.97	5.08	6.15	10.45	13.04	10.28	10.31	16.33
Colorado	2.48	1.56	1.14	1.97	1.92	2.80	2.05	1.67
Connecticut	0.60	2.45	2.38	1.21	0.41	0.95	1.22	1.34
Delaware	0.06	0.30	0.15	0.07	0.23	0.04	0.16	0.09
District of Columbia	1.27	0.35	0.16	0.66	0.94	1.15	0.99	1.43
Florida	4.36	2.83	3.25	5.10	4.77	6.24	5.49	3.71
Georgia	1.87	3.75	2.63	2.75	2.47	1.86	2.30	1.55
Hawaii	0.54	0.88	0.81	1.06	1.03	0.79	1.69	0.98
Idaho	0.11	0.07	0.12	0.07	0.28	0.16	0.11	0.02
Illinois	4.43	8.85	8.48	7.39	8.04	10.66	6.88	6.33
Indiana	1.16	0.79	1.19	1.22	1.41	1.69	1.35	0.46
Iowa	0.39	0.45	0.45	0.29	0.36	0.59	0.32	0.18
Kansas	0.61	0.24	0.45	0.58	0.35	0.70	0.50	0.23
Kentucky	0.65	1.04	1.88	1.26	0.99	0.96	1.44	0.67
Louisiana	1.19	0.51	1.35	0.94	0.91	1.44	0.68	0.62
Maine	0.12	0.04	0.14	0.11	0.19	0.16	0.09	0.01
Maryland	1.48	3.08	2.64	2.58	2.52	1.67	2.55	2.10
Massachusetts	3.24	2.64	2.43	2.68	2.50	2.24	2.40	4.92
Michigan	3.62	1.71	2.61	3.28	2.85	3.62	3.16	1.60
Minnesota*	0.36	0.53	0.94	0.81	1.23	0.69	0.91	0.64
Mississippi	0.60	0.48	0.42	0.45	0.29	0.24	0.54	0.25
Missouri	1.51	0.51	0.57	0.92	1.31	1.38	0.82	0.23
Montana	0.00	0.19	0.14	0.07	0.18	0.00	0.04	0.00
Nebraska	1.29	0.44	0.62	0.61	0.50	0.38	0.89	0.19
Nevada	1.94	0.82	0.75	1.00	0.74	0.15	1.40	1.02
New Hampshire	0.06	0.15	0.14	0.09	0.26	0.30	0.00	0.02
New Jersey	3.34	4.47	5.54	3.86	3.80	7.30	3.59	6.71
New Mexico	0.54	0.66	1.12	0.19	0.56	0.14	0.39	0.07
New York	10.66	16.48	12.78	15.02	13.81	8.46	13.42	19.99
North Carolina	1.22	1.48	1.29	0.80	1.14	0.50	0.57	0.91
North Dakota	0.04	0.04	0.03	0.03	0.09	0.14	0.05	0.00
Ohio	3.38	2.82	3.36	2.95	3.65	2.63	2.91	1.56
Oklahoma	0.04	0.21	0.33	0.39	0.38	0.83	0.47	0.45
Oregon	0.97	0.60	0.30	0.86	1.07	0.55	0.45	0.60
Pennsylvania	1.03	5.90	5.79	5.14	5.80	6.49	5.34	4.20
Rhode Island	0.06	0.06	0.48	0.21	0.20	0.53	0.13	0.05
South Carolina	2.80	0.85	1.42	1.06	1.67	1.52	1.10	1.03
South Dakota	0.03	0.02	0.10	0.15	0.21	0.28	0.28	0.00
Tennessee	3.84	1.47	2.16	1.03	1.52	1.02	2.15	0.32
Texas	16.13	14.01	11.98	9.21	8.00	7.27	10.00	10.70
Utah	0.24	0.46	0.23	0.38	0.43	0.86	0.73	0.44
Vermont	0.03	0.04	0.03	0.09	0.00	0.28	0.02	0.02
Virginia	0.97	1.89	1.31	1.96	1.47	2.22	1.96	1.07
Washington	2.15	2.15	2.28	3.02	1.26	1.27	2.14	2.98
West Virginia	0.87	0.38	0.28	0.49	0.70	0.54	0.51	0.09
Wisconsin	4.12	0.90	1.07	1.44	1.77	2.78	1.63	0.94
Wyoming	0.04	0.04	0.08	0.03	0.00	0.00	0.06	0.00

Outside the United States

American Samoa	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	0.00%	0.00%
Guam	0.00	0.03	0.13	0.15	0.12	0.34	0.25	0.00
Northern Mariana Islands	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Puerto Rico	0.00	0.34	0.64	0.33	0.16	0.60	0.29	0.00
Virgin Islands	0.00	0.01	0.02	0.00	0.00	0.16	0.00	0.00

Notes:

- The information provided above applies to all share classes of a fund including ETFs.
- The percentage of assets each of the Vanguard municipal bond funds and Vanguard Tax-Managed Balanced Fund have invested in each state and U.S. territory at the end of 2019 can be found at investor.vanguard.com/taxes/ under **State-specific tax information**.

*Minnesota requires that 95% of the tax-exempt interest dividends be derived from Minnesota source obligations for the income to be exempt from state tax. None of the funds met this criterion for 2019. Therefore, all tax-exempt interest dividends from these funds are subject to Minnesota state income tax.