

The Value Line Tax Exempt Fund, Inc.

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2012 FEDERAL AND STATE TAX INFORMATION

The account statement, previously mailed to you, indicated the income distributions you received from The Value Line Tax Exempt Fund. These distributions were made from "exempt interest", and may be 100% free of federal income tax. However, state and local taxes differ from state to state, and we suggest that you consult your own tax adviser with respect to those taxes. In this regard, we have developed the following table which shows the percentage breakdown by state, or U.S. possession, of the interest exempt from federal income taxes earned by the Fund in those states and possessions in which the Fund had investments during the year 2012.

Federal income tax regulations require that you indicate the total amount of your tax exempt income on your individual tax return. Therefore, please be sure to **retain** your account statement and this table for your records.

STATE	For the Year 2012	STATE	For the Year 2012
Alabama	0.27%	Missouri	1.46%
Alaska	0.43%	Mississippi	2.64%
Arizona	1.75%	Nebraska	0.37%
Arkansas	1.58%	North Carolina	0.88%
California	11.66%	North Dakota	0.50%
Colorado	2.03%	New Hampshire	0.58%
Connecticut	0.52%	New Jersey	2.65%
District of Columbia	0.30%	New Mexico	0.32%
Delaware	0.16%	Nevada	0.12%
Florida	6.38%	New York	11.27%
Georgia	2.37%	Ohio	2.21%
Guam	0.02%	Oklahoma	0.28%
Hawaii	0.66%	Oregon	1.84%
Idaho	0.36%	Pennsylvania	3.41%
Illinois	2.89%	Puerto Rico	1.73%
Indiana	5.12%	Rhode Island	0.34%
Iowa	0.46%	South Carolina	2.06%
Kansas	0.70%	South Dakota	0.04%
Kentucky	0.48%	Tennessee	0.95%
Louisiana	0.29%	Texas	17.06%
Maine	0.42%	Utah	0.06%
Maryland	1.22%	Virginia	0.81%
Massachusetts	4.09%	Vermont	0.51%
Michigan	0.20%	Washington	1.78%
Minnesota	0.17%	Wisconsin	1.14%
		Wyoming	0.14%

To the Fund's knowledge, the income paid from The Value Line Tax Exempt Fund in 2012 is subject to the individual Alternative Minimum Tax at 1.64%.