§ 1807. Exemption from taxation of bonds and notes of the authority. The state covenants with the purchasers and with all subsequent holders and transferees of bonds and notes issued by the authority pursuant to this title, in consideration of the acceptance of and payment for the bonds and notes, that the bonds and notes of the authority issued pursuant to this title and the income therefrom, and all moneys, funds and revenues pledged to pay or secure the payment of such bonds shall at all times be free from taxation, except for estate and gift taxes and taxes on transfers.