Municipal Bonds for America

July 15, 2016

VIA ELECTRONIC & U.S. MAIL

The Honorable Paul Ryan
Speaker of the House of Representatives
H-232 The Capitol
Washington, DC 20515

The Honorable Kevin Brady
Chairman, Committee on Ways & Means
1106 Longworth House Office Building
Washington, DC 20515

Dear Speaker Ryan and Chairman Brady:

We write today on behalf of the Municipal Bonds for America (MBFA) coalition, a diverse group of governments, local elected officials, financing authorities, and other organizations, to reaffirm our opposition to any legislative proposal that taxes, in whole or in part, municipal bonds.

Municipal bonds have served as the primary financing mechanism for public infrastructure and have been exempt from federal tax – just as federal debt is exempt from state and local tax – for more than a century. Attempts to curb or repeal the municipal exemption would dramatically increase the cost of infrastructure projects to the detriment of the public who will have to bear those increases, and undermine the efforts of America's state and local governments to move their communities forward.

Municipal bonds finance roads, highways, and bridges; public transportation; seaports and marine terminals; airports; water and wastewater facilities; schools, education loans; hospitals; single- and multi-family housing; libraries; parks; town halls; electric power and natural gas facilities; and other public projects. These public investments remove barriers to commerce and make our communities livable.

On June 24, 2016, "A Better Way: Our Vision for a Confident America: Tax Reform" was released. This blueprint contains no direct commentary on municipal bonds or the future of the current-law tax-exempt status of municipal bonds and, so, we look forward to working with you to preserve the existing tax exemption for municipal bond interest as this blueprint is refined.

We thank you for your time.

Sincerely,

The Executive Committee
Municipal Bonds for America