



Via Electronic Mail

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The Honorable Orrin Hatch
Chairman – Senate Finance Committee
U.S. Senate
November 13, 2017

Dear Chairman Hatch:

The Municipal Bonds for America (MBFA) Coalition appreciates your decision to leave intact the underlying tax exemption for interest paid on municipal bonds, including private activity bonds (PABs) in the Tax Cuts and Jobs Act (“the Act”), but objects to your decision to deny tax exemption to advance refunding bonds.

MBFA is a non-partisan stakeholder coalition, led by state and local government officials who rely upon affordable borrowing through the critical financing tools mentioned above to finance airports, seaports, universities, schools, roads, bridges, electric facilities, hospitals, affordable housing, water infrastructure, and student loan financing.

Retaining the tax exemption for municipal bonds, including private activity bonds, will reduce the cost of key investments by state and local governments. However, denying tax exemption for advance refundings needlessly restricts the ability of state and local governments to reduce the costs of these investments when opportunities arise.

We look forward to working with you during the debate in the coming weeks and will make ourselves available should you need to discuss these and other issues in more detail.

Sincerely,

Airports Council International – North America

American Association of Port Authorities

American Hospital Association

American Public Gas Association

American Public Power Association

Association of American Medical Colleges

Bond Dealers of America

Building America's Future

Council of Development Finance Agencies

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National Association of Bond Lawyers

National Association of College and University Business Officers

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CC: Senate Finance Committee Republicans

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