Congress of the United States
Washington, DC 20515

December 13, 2017

The Honorable Paul D. Ryan
Speaker
U.S. House of Representatives

Senator Mitch McConnell
Majority Leader
United States Senate

The Honorable Kevin Brady
Chairman
House Ways and Means Committee

Senator Orrin Hatch
Chairman
Senate Finance Committee

Speaker Ryan, Leader McConnell, and Chairmen Hatch and Brady:

First, we want to applaud the collectively strong leadership you all have shown in helping bring much needed tax relief for all Americans. As Republican members with an interest in infrastructure, we want to express our strong support for maintaining the tax-exempt status for private activity bonds (PABs) in any final conference report on H.R. 1, the *Tax Cuts and Jobs Act.*

As you all know, the House passed bill eliminated tax-exempt private activity bonds while the Senate passed bill maintained this important policy. Given the Administration's stated priority for increasing investment in infrastructure, we believe the elimination of tax exempt private activity bonds would be a step in the wrong direction toward fulfilling the President's goal. In fact, it will make infrastructure projects more expensive and limit our ability to effectively leverage the public investment from the federal government.

PABs are important financing tools in a wide range of projects from hospitals and schools to airports and local water facilities. There are currently well over $10 billion in PABs issued for a variety of projects across the country. The demand for them is there. While we eagerly await further details from the Administration on an anticipated Infrastructure proposal, it is important that we not counteract those principles in the tax reform legislation. Doing so will only make it more difficult to achieve the President's goal of generating $1 trillion in infrastructure investment through both public and private funds.

We were hopeful that tax reform would be an opportunity to promote investment in our nation's infrastructure through support for policies like fixing the highway trust fund, PABs, and other important financing tools. These are pro-growth policies that fit the goals of our tax reform efforts because our economy greatly relies on a strong and efficient infrastructure network. We hope any final proposal maintains the existing tax-exempt status for PABs.

We appreciate your consideration of our request and stand ready to work with you to ensure pro-growth tax reform becomes a reality. Should you have any questions or require additional information please contact Jack Ruddy of Representative Sam Graves' office at 202-225-7041 or Jack.Ruddy@mail.house.gov.

Sincerely,

Sam Graves
Member of Congress

Randy Hultgren
Member of Congress

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