The Honorable Kevin Brady  
Chairman  
Committee on Ways & Means  
U.S. House of Representatives

The Honorable Richard Neal  
Ranking Member  
Committee on Ways & Means  
U.S. House of Representatives

March 8, 2017

Dear Chairman Brady and Ranking Member Neal:

As Congress considers tax reform and infrastructure financing, we, the undersigned, write to express our strong support for a potent tool already in hand—the tax-exempt municipal bond. For more than a century, states and local governments have depended on this reliable and efficient means of financing.

Nearly two-thirds of core infrastructure investments in the United States are financed with municipal bonds. In 2015 alone, more than $400 billion in municipal bonds were issued to finance the projects that touch the daily lives of every American citizen and business. They are the roads we drive on, schools for our children, affordable family housing, water systems that supply safe drinking water, courthouses, hospitals and clinics to treat the sick, airports and ports that help move products domestically and overseas, and, in some cases, the utility plants that power our homes, businesses, and factories. These are the pro-growth investments which spur job creation, help our economies grow, and strengthen our communities.

A combination of local control and local responsibility makes municipal bonds an incredibly effective and efficient tool. Voters throughout the country overwhelmingly support tax-exempt municipal bonds, which are either approved by locally-elected officials or directly through bond referenda—fiscal federalism at its finest. This must help explain why the default rate is less than 0.01%. Federal tax exemption reduces the cost of issuing municipal bonds, but it is these voters who will pay the interest and principle on this debt. As a result, over the last decade overall state and local borrowing has actually declined in proportion to the economy, while still financing more than $2 trillion in new infrastructure investments. And, if simply left alone, municipal bonds likely will finance another $3 trillion in new infrastructure investments by 2026.

Furthermore, millions of Americans depend on municipal bonds for their economic security, and invest in them because of their low-risk nature. Nearly three-quarters of individual investors earn less than $200,000 per year, and more than three-quarters are 55 or older. Businesses also rely on municipal bonds as a safe, stable, long-term investment.

In conclusion, changes to the tax-code should recognize the vital role of tax-exempt municipal bonds. Any changes under consideration to the tax exempt status that would increase the cost of financing for states and local government should be provided very careful consideration. We believe the current tax-exempt status contributes to efficient economic growth that benefits all Americans.

Very Respectfully,

Randy Hultgren  
Member of Congress

C.A. Dutch Ruppersberger  
Member of Congress
Raja Krishnamoorthi  
Member of Congress

Ted W. Lieu  
Member of Congress

Cheri Bustos  
Member of Congress

Vicente Gonzalez  
Member of Congress

Raúl M. Grijalva  
Member of Congress

Julia Brownley  
Member of Congress

Sean Patrick Maloney  
Member of Congress

Earl Blumenauer  
Member of Congress

Debbie Wasserman Schultz  
Member of Congress

David Joyce  
Member of Congress

Tim Ryan  
Member of Congress

Bruce Poliquin  
Member of Congress

Ruben Gallego  
Member of Congress
David Scott  
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John Rutherford  
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David Young  
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Ruben Kihuen  
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Doug LaMalfa  
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Mark Amodei  
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Jacky Rosen  
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Barbara Comstock  
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Mike Thompson  
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Anna Eshoo  
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Pramila Jayapal  
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Ryan A. Costello  
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Peter King  
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David Rouzer  
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Mark DeSaulnier  
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Debbie Dingell  
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Bradley Byrne  
Member of Congress  

Rob Bishop  
Member of Congress  

Alan Lowenthal  
Member of Congress  

Tom O’Halleran  
Member of Congress  

Eric Swalwell  
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John Yarmuth  
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Salud Carbajal  
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Michelle Lujan Grisham  
Member of Congress  

Mia Love  
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Scott Tipton  
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Alma S. Adams  
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Robert Pittenger  
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Daniel Lipinski
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Alcee L. Hastings
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Rick Nolan
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Adam Schiff
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Luis V. Gutiérrez
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Steve Womack
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Austin Scott
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William R. Keating
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Nita M. Lowey
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Jan Schakowsky
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Mo Brooks
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Lamar Smith
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Lois Frankel
Member of Congress

Wm. Lacy Clay
Member of Congress
Mike Simpson  
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Gus Bilirakis  
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Peter DeFazio  
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Bill Posey  
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Marcy Kaptur  
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Brian Mast  
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Collin C. Peterson  
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David Price  
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Rick Larsen  
Member of Congress

Eleanor Holmes Norton  
Member of Congress

John Culberson  
Member of Congress

Brad Sherman  
Member of Congress

Terri Sewell  
Member of Congress

Steve King  
Member of Congress
Maxine Waters  
Member of Congress

Ben Ray Lujan  
Member of Congress

Pete Sessions  
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Gerald E. Connolly  
Member of Congress

Tom Marino  
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David N. Cicilline  
Member of Congress

Gwen Moore  
Member of Congress

Keith Ellison  
Member of Congress

Peter Welch  
Member of Congress

Lloyd Doggett  
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Doris Matsui  
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Tim Walz  
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Don Young  
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Sean Duffy  
Member of Congress
Darren Soto  
Member of Congress

Ami Bera  
Member of Congress

Bradley Schneider  
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Joe Wilson  
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Anthony Brown  
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Mark Takano  
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Kathleen Rice  
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Derek Kilmer  
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Don Bacon  
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Lee Zeldin  
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Juan Vargas  
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Grace F. Napolitano  
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Francis Rooney
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Barbara Lee
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