Congress of the United States
Washington, DC 20515

May 13, 2019

Chairman Richard Neal
House Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

Ranking Member Kevin Brady
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Neal and Ranking Member Brady:

As your Committee prepares its agenda for the 116th Congress — which may include changes to the tax code and legislation to strengthen infrastructure financing — we write to express our support for a potent tool: tax-exempt municipal bonds. For more than a century, states and local governments have depended on this reliable and efficient means of financing critical infrastructure projects.

Nearly two-thirds of core infrastructure investments in the United States are financed with municipal bonds. In 2018 alone, more than $325 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. They are our courthouses, hospitals and clinics to treat the sick, airports and ports that help move products domestically and overseas. In some cases, they are the utility plants that power our homes, businesses, and factories. These are the investments that spur job creation, help our economies grow, and strengthen our communities.

A combination of local control and local responsibility makes municipal bonds an effective tool and an expression of fiscal federalism. Voters throughout the country overwhelmingly support tax-exempt municipal bonds, which are either approved by locally-elected officials or directly through bond referenda. The federal tax exemption reduces the cost of issuing municipal bonds, making important community infrastructure cheaper for taxpayers and freeing up resources for other needs. Should this tax exemption be preserved, it is estimated that municipal bonds will finance another $3 trillion in new infrastructure investments by 2028.

Any proposal to eliminate or reduce the value of the tax exemption on municipal bonds will raise borrowing costs for our state and local governments, reduce infrastructure investment in the communities we represent, and stall or threaten job creation. For these reasons, we ask that your Committee carefully consider the impact of any changes to the tax status of municipal bonds.

Sincerely,

C.A. Dutch Ruppersberger
Member of Congress
Co-Chair, Municipal Finance Caucus

Steve Stivers
Member of Congress
Co-Chair, Municipal Finance Caucus
Peter A. DeFazio  
United States Representative

Collin C. Peterson  
United States Representative

Sanford D. Bishop, Jr.  
United States Representative

Alcee L. Hastings  
United States Representative

Lucille Roybal-Allard  
United States Representative

Gregory W. Meeks  
United States Representative

Grace F. Napolitano  
United States Representative

Rick Larsen  
United States Representative

Adam B. Schiff  
United States Representative

David E. Price  
United States Representative

Eleanor Holmes Norton  
United States Representative

Anna G. Eshoo  
United States Representative

Peter T. King  
United States Representative

Diana DeGette  
United States Representative

Steve Chabot  
United States Representative

Wm. Lacy Clay  
United States Representative

Betty McCollum  
United States Representative

Tom Cole  
United States Representative
Chellie Pingree
United States Representative

Paul D. Tonko
United States Representative

Bill Foster
United States Representative

David N. Cicilline
United States Representative

Charles J. "Chuck" Fleischmann
United States Representative

Terri A. Sewell
United States Representative

Suzanne Bonamici
United States Representative

Ami Bera, M.D.
United States Representative

Cheri Bustos
United States Representative

David P. Roe, M.D.
United States Representative

John Garamendi
United States Representative

Mo Brooks
United States Representative

Sean P. Duffy
United States Representative

Paul A. Gosar, D.D.S.
United States Representative

Scott R. Tipton
United States Representative

Dina Titus
United States Representative

Julia Brownley
United States Representative

Chris Collins
United States Representative
Don Bacon
United States Representative

Salud O. Carbaajal
United States Representative

Brian K. Fitzpatrick
United States Representative

Josh Gottheimer
United States Representative

Raja Krishnamoorthi
United States Representative

Darren Soto
United States Representative

Joseph D. Morelle
United States Representative

Anthony Brindisi
United States Representative

Ben Cline
United States Representative

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United States Representative

Neal P. Dunn, M.D.
United States Representative

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Harley Rouda
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Jennifer Wexton
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Sharice L. Davids
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Anthony Gonzalez
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Ben McAdams
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Greg Stanton
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Lori Trahan
United States Representative

Steve Watkins
United States Representative

Antonio Delgado
United States Representative