LOCAL ELECTED OFFICIALS GALVANIZE BROAD NATIONAL COALITION TO OPPOSE CAP ON TAX-EXEMPT MUNICIPAL BONDS THAT WOULD HARM INFRASTRUCTURE, JOBS

Washington, D.C. – A diverse coalition of more than 50 groups representing local and state governments, housing, transportation, infrastructure, and private industry today urged Senate Majority Leader Harry Reid (D-NV) and Minority Leader Mitch McConnell (R-KY) to support the tax-exempt status of municipal bonds, which state and local governments use to build America’s schools, hospitals, roads, bridges, airports, water systems and other essential public infrastructure.

In a letter sent to Capitol Hill today, the coalition partners including the U.S. Conference of Mayors, the National League of Cities and the National Association of Counties expressed great concern about language in the Senate Fiscal 2014 Budget Resolution, which suggests the possibility of a cap being placed on tax expenditures and could include the exemption for interest earned on municipal bonds.

Coalition partners understand that municipal bonds are the primary method used by states and local governments to finance public capital improvements and public infrastructure projects that are essential to creating jobs, sustaining economic growth and improving the quality of life for Americans. Eliminating or capping the deduction would increase the borrowing cost of local infrastructure improvements, which in turn means higher taxes for local residents and less funding for teachers, fire and police officers, hospital workers, librarians, and construction and maintenance workers.

In short, the Coalition, which is continuing to grow, is seeking assurance that the tax-exempt status of municipal bonds will not be changed as part of comprehensive tax reform.

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The National League of Cities is dedicated to helping city leaders build better communities. NLC is a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans.

The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,295 such cities in the country today, and each city is represented in the Conference by its chief elected official, the mayor. Like us on Facebook at facebook.com/usmayors, or follow us on Twitter at twitter.com/usmayors.

The National Association of Counties (NACo) is the only national organization that represents county governments in the United States. Founded in 1935, NACo provides essential services to the nation’s 3,069 counties. NACo advances issues with a unified voice before the federal government, improves the public’s understanding of county government, assists counties in finding and sharing innovative solutions through education and research, and provides value-added services to save counties and taxpayers money. For more information about NACo, visit www.naco.org.