

November 15, 2017

**VIA ELECTRONIC MAIL**

The Honorable Paul Ryan  
Speaker, U.S. House of Representatives  
1106 Longworth House Office Building  
Washington, DC 20515

Dear Speaker Ryan:

The Bond Dealers of America (BDA) is the only Washington, DC-based trade association representing the interests of “Main Street” investment firms and banks active predominantly in the U.S. fixed income markets.

We, the Board of the BDA, write to thank you for the continued support of the tax exemption for governmental municipal bonds. However we request the removal of two very negative provisions for issuers, investors and tax-payers in H.R. 1. Those two provisions would eliminate municipal private activity bonds and the ability to advance refund municipal bonds. Both provisions run counter to the stated goals for tax reform – to increase growth, spur infrastructure development and reduce taxes on all tax-payers.

Eliminating the exemption for private activity bonds (including single family, multi-family housing bonds and all 501c3 bonds for healthcare and higher education), will increase the cost of key investments by state and local governments.

Denying the tax exemption for municipal bond advance refundings needlessly restricts the ability of state and local governments to reduce the costs of these investments when opportunities arise. Issuers are rated in many cases by their ability to manage outstanding debt. Eliminating issuers’ ability to advance refund outstanding debt will likely drive many issuers into the swaps and derivatives markets to find new ways to manage debt issued for infrastructure and capital improvement.

Mr. Speaker, as the House of Representatives moves towards consideration of the *Tax Cuts and Jobs Act*, we ask you to preserve the tax status of private-activity bonds and maintain the refinancing option that tax-exempt advance refundings allow. We applaud your efforts to protect the tax-exemption for governmental municipal bonds. These financing options provide state and local governments the flexibility needed to provide services efficiently and effectively, and at low cost for the taxpayer.

Thank you for your consideration and please let us know if you need more information from us.

Sincerely,



Michael Nicholas  
Chief Executive Officer  
Bonds Dealers of America

Cc: The Honorable Kevin Brady  
Chairman, House Ways and Means  
U.S. House of Representatives

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives

The Honorable Richard Neal  
Ranking Member, House Ways and Means  
U.S. House of Representatives

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