



Action Alert

Monday, November 6, 2017

Urge Your Representative to Oppose Provision in Tax Bill That Would Eliminate Tax Exemption for Private-Activity Bonds

***AHA, Coalitions Send Letters Urging Leaders to Abandon
Proposal***

The Public Finance Network, a coalition whose members include the AHA, today urged members of the House Ways and Means Committee to reject a proposal included in the [tax reform package](#) released Nov. 2 by House Republican leaders that would eliminate the tax-exemption for private-activity bonds (PABs), including qualified 501(c)(3) hospital bonds. These bonds play a critical role in helping not-for-profit hospitals and health systems access low-cost capital, enabling them to keep infrastructure expenditures low so that they can efficiently fulfill their mission and focus on the work they do for the public good.

“Municipal bonds are a means to finance vital infrastructure used by state and local governments. As public issuers, we have grave concern over the bond provisions in H.R. 1,” the group [wrote](#). “...PABs are widely used for airport and seaport projects, affordable housing, nonprofit health, and education facilities, all of which contribute to vibrant local communities. In 2016, over \$72 billion in PABs used largely by nonprofit hospitals and universities were issued and in the same year over \$12 billion were issued to support airports, housing, and rural public cooperatives. By eliminating PABs, the federal government is dictating to states and local governments the types of financing methods they may use, thereby undermining vital projects that provide essential public services.”

Late last week, Municipal Bonds for America, a non-partisan coalition of municipal bond issuers and state and local government officials, also including the AHA, similarly [urged](#) House and Senate leaders to abandon the proposal.

Please contact your representative immediately and urge him or her to oppose the provision in the [Tax Cuts & Jobs Act](#) (H.R. 1) that would eliminate the tax-exemption for PABs. The House Ways and Means Committee is expected to begin consideration of tax reform today.

If you have any questions, please call 1-800-424-4301.