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Tax Measure Retains Financing Tool for Infrastructure.

The final GOP tax bill unveiled Friday evening would retain a popular infrastructure financing tool that had been eliminated in an earlier version of the legislation, delivering a big win for transportation advocates who lobbied hard for the provision.

The tax measure would keep the preferential tax treatment for private activity bonds. The tax-exempt bonds are issued for private projects and have been used by cities and states to help finance a wide range of infrastructure projects, including roads, highways, housing, hospitals and airports.

The House's tax bill scrapped the deduction on the bonds, drawing outcry from transportation advocates who said it would undermine President Trump's effort to rebuild the nation's infrastructure.

Nearly two-thirds of the core infrastructure investments in the United States are financed with some form of municipal bonds, with $400 billion in municipal bonds issued to finance projects in 2015 alone.

Rep. Mark Meadows (R-N.C.), chairman of the conservative Freedom Caucus, suggested last month that House Republicans eliminated the bonds not out of an ideological opposition to them, but in an effort to find savings to pay for tax cuts in the larger package. Ending the program would have saved nearly $40 billion over 10 years.

But negotiators opted to keep the private activity bond program in the final conference report, which is scheduled for a vote in the House on Tuesday.

THE HILL

BY MELANIE ZANONA – 12/15/17