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House Panel Declines to Restore Infrastructure Financing Tool in GOP Tax Bill.

House tax-writers declined to restore an infrastructure financing tool that was cut out of the GOP tax bill, while the Senate has not yet decided how to treat the issue in its own tax package.

In a party-line vote on Wednesday, the House Ways and Means Committee rejected a Democratic amendment that would have kept the deduction on tax-exempt private activity bonds, which are used by public-private partnerships to back a wide range of infrastructure projects around the country.

The House GOP tax plan, which is expected to get a final committee vote on Thursday, eliminates the program for private activity bonds. Doing so would save $38.9 billion, according to a summary sheet.

But there is bipartisan support for keeping the preferential tax treatment for the bonds.

Transportation advocates are warning that eliminating the program could hurt President Trump's infrastructure push, which is supposed to rely on public-private partnerships. Nearly two-thirds of core infrastructure investments in the United States are financed with municipal bonds.

Reps. Randy Hultgren (R-Ill.) and Dutch Ruppersberger (D-Md.), who are co-chairmen of the Municipal Finance Caucus, have been urging House leadership to keep the bonds.

House Transportation and Infrastructure Committee Chairman Bill Shuster (R-Pa.) also agrees that the issue needs to be re-examined in the tax plan.

"It's been very beneficial in the transportation world," Shuster told The Hill on Tuesday. "I want to see them stay."

Across the Capitol, it's unclear how the bonds will be treated in the Senate GOP tax bill, which may be unveiled on Thursday.

Sen. John Thune (R-S.D.), chairman of the Commerce, Science and Transportation Committee, said they are still ironing out the details.

Thune acknowledged the importance of the bonds for infrastructure but also emphasized that lawmakers need to make trade-offs in order to bring tax rates down.

"I don't have a final answer for you on that yet. We're looking at all the offsets," Thune told reporters Wednesday afternoon. "I know that they're heavily used to pay for infrastructure, so we're aware of that."

THE HILL

BY MELANIE ZANONA – 11/08/17 05:15 PM EST

– Niv Elis contributed

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