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Lawmakers Fight to Save Infrastructure Financing Tool in GOP Tax Bill.

Lawmakers on both sides of the aisle are fighting to save tax-exempt bonds in the GOP tax bill that are used to finance infrastructure projects around the country.

In a bipartisan letter earlier this year, more than 150 members of Congress urged House leadership to keep the deduction on tax-exempt municipal bonds, which are considered a critical tool for public-private partnerships and infrastructure rebuilding efforts.

Now, Reps. Randy Hultgren (R-Ill.) and Dutch Ruppersberger (D-Md.), who co-chair the Municipal Finance Caucus, are renewing those calls following the release of the GOP tax bill in the House.

Under the plan, interest on newly issued private activity bonds would no longer be tax-exempt. Eliminating the program would save $38.9 billion, according to a summary sheet.

The bonds are issued for private projects and have been used to finance a wide range of infrastructure projects around the country, including roads, highways, housing, hospitals and airports.

“We will be reaching out to House leadership urging them to keep the tax-exempt status of private activity bonds which are used to fund important public goods such as healthcare facilities, affordable housing and education,” Hultgren and Ruppersburger said in a joint statement this week.

It’s just the latest criticism to emerge of the House GOP tax bill, which would reduce the corporate tax rate, among other provisions.

Ending the preferential tax treatment of private activity bonds has drawn the ire of transportation advocates, who say it would undermine President Trump’s infrastructure bill, 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, with $400 billion in municipal bond issued to finance projects in 2015 alone, according to Hultgren’s office.

House Transportation and Infrastructure Committee Chairman Bill Shuster (R-Pa.) 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. “I want to see them stay.”

THE HILL

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