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BDA: Tax Reform Makes Major Progress in Both House and Senate.

Yesterday, the House of Representatives passed H.R. 1 the *Tax Cuts and Jobs Act*, which would eliminate private-activity bonds and municipal advance fundings, 227-205. The bill passed on a party-line vote, with 13 Republicans voting against the tax package.

While this is a big win for Republican leadership in the House, eyes quickly turned to the Senate where controversies continue to grow.

Senate Finance Concludes Mark-Up

Late last night, the Senate Finance Committee advanced the *Tax Cuts and Jobs Act* by a vote of 14-12. The Senate package, unlike the House companion, maintains the tax exemption for private-activity bonds while terminating advance refundings.

Majority Whip John Cornyn (R-TX) after the vote told the Bond Buyer that he will fight to include PABs in the final tax package when both Chambers come to the negotiating table.

Senate Republican leadership has signaled that they plan to introduce the package to the floor the week following Thanksgiving recess. At this time, it is unknown whether the debate rules will allow amendments to be offered.

Push for Private Activity and Advance Refundings

Earlier this week, the BDA sent letters to both House and Senate leadership in support of privavte-activity bonds and municipal advance refundings and requesting both be protected in any compromise bill.

The House Municipal Caucus, with support of the BDA and the MBFA, continue to be vocal advocates of maintaining current law for both provisions. And work continues on the Senate side, to embolden champions of both PABs and municipal advance refunding bonds, to be vocal leaders in the next stages of debate and compromise.

Next Steps

With much undecided, Members of Congress and their staff need to hear from you before and during the Thanksgiving recess. It is vital to continually remind the House and Senate of the importance of both provisions.

Talking points can be found here along with state specific advance refunding data.

The BDA will continue to provide updates as they become available.

Bond Dealers of America

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