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Municipal Finance Caucus Speaks Out in Defense of Bonds.

In a marathon legislative day in on Capitol Hill, tax reform took one step towards final passage of the House and potentially a step back in the Senate.

Municipal Finance Caucus Speaks Out
Last night, House Municipal Finance Caucus co-chairman Reps. Randy Hultgren (R-IL) and Dutch Ruppersberger (D-MD), with support from the BDA and MBFA, testified during a House Rules Committee hearing in defense of two amendments filed to H.R 1 the Tax Cuts and Jobs Act:

- **Amendment 54:** Reinstates private activity bonds by striking Sec. 3601. (co-sponsors:Hultgren (R-IL), Messer (R-IN), Ruppersberger(D-MD), McGovern (D-MA), Polis (D-CO))
- **Amendment 55:** Reinstates advance refunding bonds by striking Sec. 3602. (co-sponsors Hultgren (R-IL), Messer (R-IN), Ruppersberger (D-MD), McGovern (D-MA))

After hours deliberation, the Rules Committee decided not to accept any of the 139 amendments filed. Amendments will also not be allowed on the House floor during debate which is expected to begin today and conclude with a vote for final passage tomorrow morning.

While all amendments were rejected, having these points raised during the process **will have influence over Senate deliberations**. Senators and their staff are watching the House debate closely noting amendments filed and statements made. This action will go far in emboldening Senators to take a stand.

Both the BDA and MBFA continue to work with our partners in the Municipal Finance Caucus in an effort to have Members speak on the record, during the House debate, in defense of private-activity and municipal advance refunding bonds.

House Moves Towards Vote
The House will conduct one hour of debate over the rules of the tax package and then begin a four hour debate on the bill itself. House Leadership currently feels as if they have the 218 votes needed for passage.
Expect some push back to emerge from moderate members of the House Republican Caucus over Senate changes to the package, but it is not known if there will be enough to delay the vote.

Senate Adds Controversy
The Senate Finance Committee added a few layers of difficulty for approval of their tax package yesterday afternoon. During a Committee recess for lunch, rumors leaked that Chairman Hatch was amending the repeal of the individual mandate of the Affordable Care Act as a payfor for the sweeping tax cuts included in the package. These rumors were later confirmed and the provision was added.

Overnight, the Chairman announced that a majority of the individual tax cuts will expire after 2025, while maintaining permanence for corporate rates, in an effort to bring the legislation in compliance with Senate rules.

Next Steps
The BDA is sending letters to both House and Senate Leadership today in support of privavte-activity and municipal advance refunding bonds and requesting both be protected in any compromise bill.

We will continue to provide updates as they become available.

Bond Dealers of America

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