

# United States Senate

WASHINGTON, DC 20510

April 2, 2013

The Honorable Barack Obama  
President of the United States  
The White House  
1600 Pennsylvania Ave. NW  
Washington, DC 20500-0005

Dear President Obama:

It is clear that our country faces significant fiscal challenges at the federal level. It would be inappropriate and shortsighted, however, to radically shift the burden of our national fiscal challenges to states and cities by capping or eliminating the tax-exempt status of municipal bonds.

We are very concerned about the impact that altering the tax treatment of municipal bonds would have on the ability of cities, counties, and states to manage their finances and invest in the future. At risk are important services provided by local governments, including utilities like power and water and public safety like police and fire protection. Also at risk are key infrastructure projects such as road, airport, port, housing and hospital construction and maintenance.

While we recognize the challenges our nation faces as we work to bring order to our fiscal house, we believe strongly that balancing the federal deficit by shifting the burden to local governments would have, ironically, a substantial negative impact on our federal budget outlook through decreased federal tax receipts as a result of diminished economic activity. We respectfully encourage you to consider other options as you work with Congress to find the savings that we all acknowledge we must find.

Sincerely,



Mark Begich  
United States Senator



Maria Cantwell  
United States Senator

*Kirsten E. Gillibrand*

Kirsten E. Gillibrand  
United States Senator

*Bert Sanders*

Bernard Sanders  
United States Senator

*Tom Harkin*

Tom Harkin  
United States Senator

*Tim Johnson*

Tim Johnson  
United States Senator

*Mary L. Landrieu*

Mary L. Landrieu  
United States Senator

*Al Franken*

Al Franken  
United States Senator

*William M. Cowan*

William M. Cowan  
United States Senator

*Tom Udall*

Tom Udall  
United States Senator

*Elizabeth Warren*

Elizabeth Warren  
United States Senator

*Barbara Boxer*

Barbara Boxer  
United States Senator

*Heidi Heitkamp*

Heidi Heitkamp  
United States Senator

*Tammy Baldwin*

Tammy Baldwin  
United States Senator