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NEWS RELEASE

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CDFA Rejects Chairman Camp's Tax Proposal to Eliminate Private Activity Bonds

- Call to Action: Voice Your Objection to the Elimination of PABs -

Columbus, OH – The Council of Development Finance Agencies (CDFA) calls on development finance stakeholders and Congress to voice their objection to House Ways and Means Committee Chairman David Camp's (R-MI) tax reform plan. Representative Camp's plan would eliminate the tax exemption for Qualified Private Activity Bonds (PABs).

PABs are the number one job creation and private sector investment catalyzing tool for economic development. They have been used to help build hospitals, energy facilities, airports, colleges, housing, prisons and thousands of other public and private projects. PABs help stimulate public and private investment in job creation, business and industry expansion, economic and physical redevelopment, transportation and infrastructure, health care and higher education, and agricultural and renewable energy production. And, they are the single most actively used bond tool for financing the manufacturing sector.

Chairman Camp's proposal would raise an estimated \$23.9 billion over ten years by eliminating PABs, however, no substantive alternative has been offered for how non-profits, hospitals, manufacturers, housing agencies, energy providers and other public-private partnerships would access affordable capital. Camp's reforms continue to show the growing disconnect between tax-reform discussions in Washington, DC and state/local economic development leaders throughout the country.

If eliminated, thousands of projects throughout the country would lose access to the affordable and flexible capital provided by the tax-exempt private activity bond market, almost certainly resulting in economic development stagnation. Important infrastructure, education, health care, and community amenity projects would be delayed, scaled back, or all together eliminated.

In addition, Camp's proposal would apply a new 10% surcharge on municipal bonds and eliminate advance refundings for bonds issued after 2014. Two ideas that CDFA and the [Municipal Bonds for America Coalition](#) outright object and dismiss.

Call to Action

CDFA calls on bond issuers, economic developers, elected leaders, underwriters and other stakeholders to contact Chairman Camp (202-225-3561) to voice your objection to his proposed tax-reforms. In addition, CDFA highly encourages all stakeholders to contact their elected offices (Congress, Governor, Mayor, etc.) to voice your objection to Chairman Camp's proposal. Please copy CDFA on all outreach and conversations.

The **Council of Development Finance Agencies** is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing public, private and non-profit entities alike. For more information about CDFA, visit www.cdfa.net.

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