

# THE BOND BUYER

## Preserving the tax exemption for municipal bonds has strong bipartisan support, says Brady

By

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WASHINGTON – House Ways and Means Committee Chairman Kevin Brady said Monday night that “there’s very strong bipartisan support for preserving” the tax exemption for municipal bonds and that he expects to have a tax reform bill on President Trump's desk before the end of the year.

“I don’t want to get ahead of our committee’s work and product that we’ll all see very soon,” Brady, R-Texas, said at the annual meeting of the Securities Industry and Financial Markets Association here when asked about the specifics of the expected tax reform bill.

Senior administration officials speaking on background told reporters last month that the tax exemption for municipal bonds will be preserved. But none of the so-called Big Six Republican leaders in the House and Senate and top administration officials who are negotiating the framework of the bill have confirmed it on the record.

Brady’s comment, made during a question and answer session at the SIFMA conference in a downtown Washington hotel, is the closest any of them has come to providing a public reassurance.

Brady was questioned before a ballroom audience by CNBC reporter Ylan Mui who also asked about the status of a proposal to repeal the federal deduction for state and local taxes.

“I want to make sure Americans are better off after tax reform regardless of where they live,” whether in high- or low-tax states, he said, adding that his goal is “fairness and equity and a simplification.”

Brady wouldn’t go into any details about repeal of the SALT deduction, but said he has been getting proposals for alternatives to an overall repeal.

He commented on reports that Republicans are considering limiting the deductibility of interest expenses for businesses.

“Partial limitation is where we are really going to end up,” he said, acknowledging that options such as grandfathering existing debt are still in the mix.

“We are looking for neutrality on the source of funds,” he said.

Brady said details of the tax plan will be revealed after the House approves the 2018 budget resolution that passed the Senate last week. The House vote is expected to take place on Thursday.

After Thursday's House vote, Brady said his committee will release tax reform legislation and announce a date for the committee to begin voting on it, “which could well last several days.”

He said repeatedly that the goal is to have a tax reform bill on President Trump's desk before the end of the year.