

# THE BOND BUYER

## Move America Act to expand PABs reintroduced in Senate

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WASHINGTON -- A bipartisan proposal to expand tax-exempt private activity bonds for a variety of infrastructure projects and establish a new federal infrastructure tax credit to encourage public-private partnerships has been reintroduced after languishing in the last Congress.

The Move America Act (S.146) would leverage \$8 billion in federal investment into \$226 billion worth of bond authority over the next 10 years or up to \$56 billion over 10 years in tax credits, according an estimate by the nonpartisan congressional Joint Committee on Taxation.

The Move America Act was reintroduced Wednesday by Sens. John Hoeven, R-N.D., and Ron Wyden, D-Ore. without any fanfare perhaps because of the ongoing partial government shutdown. They had previously introduced it in 2017 and 2015.

Until the shutdown, which began Dec. 22, there was optimism among many lawmakers in Congress that bipartisan infrastructure legislation might be one of the most possible areas of agreement under a divided government with Democrats regaining controlling the House while Republicans control the Senate and the White House.

Move America Bonds, which the bill would create, would generally be treated as exempt facility bonds under current law, with several exceptions, according to the sponsors.

So long as facilities are generally available for public use, the government ownership requirements for exempt facility bonds would not apply. The legislation would allow private partners to benefit from depreciation deductions, should they take ownership of the facility either directly or through a long-term leasing arrangement.

Interest income on the PABs would be excluded from the Alternative Minimum Tax.

And the 25% land acquisition limit for current PABs would be increased to 50% to allow development in higher-cost urban areas.

The Hoeven-Wyden bill had the support of the U.S. Chamber of Commerce, the Business Roundtable and the Securities Industry and Financial Markets Association (SIFMA) during the last Congress.

But Congress failed to consider infrastructure legislation during the previous session after President Trump delayed release of the administration's proposal which subsequently had no support on the Hill.

The current budget standoff could have longstanding adverse repercussions on the chances for an infrastructure deal this year, but the Move America Act does represent a relatively modest federal financial commitment.

The bill also had a long list of infrastructure trade groups announcing support during the last Congress including the American Association of State Highway Transportation Officials (AASHTO), American Road and Transportation Builders Association (ARTBA), and Associated General Contractors (AGC). Also on that list were the American Association of Port Authorities (AAPA), Airports Council International (ACI-NA) and construction labor unions such as the Laborers International Union of North America (LIUNA) and International Union of Operating Engineers (IUOE).

But the bill never was considered by the Senate Finance Committee, which has jurisdiction over tax policy, nor did it have any sponsor in the House.

The bill was first introduced by them in May 2015 in the 114<sup>th</sup> Congress and again in [May 2017](#) during the 115<sup>th</sup> Congress.

A spokeswoman for Hoeven said in an email Friday, "The Move America Act would provide valuable tools for state and local governments to grow and repair America's aging infrastructure. With the Fixing America's Surface Transportation Act (FAST Act) set to expire at the end of FY2020, Sen. Hoeven will be actively advocating for the inclusion of the bipartisan Move America Act when Congress begins debate on an infrastructure package."

"Considering the difficulty in identifying federal funding sources, the fact that this legislation would empower states to leverage private investment and have the flexibility to address their greatest infrastructure needs makes this legislation an

ideal complement to any such infrastructure package,” Hoeven’s spokeswoman said.