



November 17, 2017

## Call to Action Preserve Private Activity Bonds (PABs)

Tax-exempt financing is facing the most hostile challenge to its existence since the 1986 revisions to the Tax Code. On November 2, The House Ways & Means Committee introduced the Tax Cuts and Jobs Act (H.R. 1) in the United States House of Representatives - the long-awaited tax reform bill. This bill is by far the worst-case scenario for non-profits and tax-exempt financing. The proposed tax reform eliminates the tax exemption for private activity bonds, which includes 501(c)(3) Bonds after 12/31/17. In summary, this would eliminate WHEFA's ability (and any other conduit issuer) to issue tax-exempt bonds on behalf of non-profits. As a result, tax-exempt financing will no longer be available to non-profits. It is now critical that we all advocate to our respective representatives in Washington D.C. the importance of tax-exempt financing.

While non-profit bonds survived the Senate Finance Committee mark-up, we still have to defend them during floor debate after the holiday. The full Senate will take up the bill after the Thanksgiving holiday. Please continue to vocally advocate with your Senators. We also have to keep up the pressure on House offices as we look ahead to the conferencing of the House- and Senate-passed bills.

**The most immediate call to action is to your [Senators](#)** and ask that they defend bonds during the floor debate on the tax reform bill, opposing any effort to add language eliminating the tax exemption for private activity bonds.

The **next call to action** item is to [contact your House Representative](#) and ask that they personally ask Speaker Ryan and Ways and Means Committee Chairman Brady to leave any elimination language for PABs exemption out of the final tax reform bill once it goes to conference.

Tax-exempt financing provides a critical source of funding for a variety of important projects for non-profits across the state and across the nation. Please contact your congressional delegation today.

As always, please do not hesitate to call if you have any questions or would like to discuss this further.

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