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Mayors and city officials represented by the [U.S. Conference of Mayors](#) and the [National League of Cities](#) are thanking Alaska Senator Mark Begich (R) and his colleagues who have taken up the effort to oppose proposals to cap or eliminate the tax-exempt status of municipal bonds. Municipal bonds are the primary means used by local communities to build and maintain critical infrastructure such as schools, hospitals, roads, bridges, libraries and sewer systems.

Fourteen key Senators, Republican and Democrat alike, have joined with House Majority Leader Eric Cantor (R) in opposing proposals to alter the exemption for municipal bonds.

In a letter to President Obama, Senator Begich and thirteen other Senators (listed below) voiced their opposition to any effort to change the tax-exempt status of municipal bonds calling any proposal to do so “inappropriate” and “shortsighted.”

See excerpts from the letter below:

“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...

“While we recognize the challenges our nation faces as we work to bring order to our

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pulling back on that [the tax exemption for municipal bonds] right now given the current state of our existing infrastructure.”

Mayors and city officials warn that as the primary method used by states and local governments to finance public capital improvements and public infrastructure projects, tax exempt municipal bonds are essential to creating jobs, sustaining economic growth and improving the quality of life for middle-class Americans.

Eliminating or capping the deduction would increase the borrowing cost of local infrastructure improvements, which in turn means higher taxes for residents and less funding for teachers, fire and police officers, hospital workers, librarians, construction and maintenance workers, and much needed infrastructure projects.

Senators Signed onto the Letter to President Obama Opposing Changes to Municipal Bonds:

Mark Begich, AK; Maria Cantwell, WA; Kirsten Gillibrand, NY; William Cowan, MA; Bernard Sanders, VT; Tom Udall, NM; Tom Harkin, IA; Elizabeth Warren, MA; Tim Johnson, SD; Barbara Boxer, CA; Mary Landrieu, LA; Heidi Heitkamp, ND; Al Franken, MN; Tammy Baldwin, WI.

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