

As Reported by the Senate Ways and Means Committee

131st General Assembly

Regular Session

2015-2016

H. C. R. No. 7

Representative Sprague

Cosponsors: Representatives Amstutz, Blessing, Derickson, Dever, Hambley, Rezabek, Ruhl, Sheehy, Rogers, Anielski, Antonio, Arndt, Ashford, Baker, Barnes, Bishoff, Boose, Brenner, Brown, Buchy, Burkley, Butler, Conditt, Dovilla, Fedor, Ginter, Green, Grossman, Hackett, Hayes, Hood, Johnson, T., Lepore-Hagan, McClain, O'Brien, M., O'Brien, S., Patterson, Pelanda, Perales, Reineke, Retherford, Roegner, Romanchuk, Ryan, Schaffer, Scherer, Schuring, Smith, K., Smith, R., Strahorn, Young
Senators Cafaro, Tavares, Beagle, Balderson, Eklund

A C O N C U R R E N T R E S O L U T I O N

To urge the President and the Congress of the United	1
States to preserve the tax-exempt status of	2
municipal bonds.	3

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF OHIO (THE SENATE CONCURRING):

WHEREAS, A fundamental principle of tax-exempt financing	4
is the ability of local governments to issue bonds that are	5
free from federal taxation in order to raise capital to	6
finance infrastructure projects that are vital to our nation,	7
such as road, bridge, hospital, school, and utility system	8
projects; and	9

WHEREAS, The exclusion of interest on state and local	10
obligations from federal gross income is an important	11
financing tool at a time when building and rebuilding	12
infrastructure is required to meet federal mandates, promote	13

community growth, and support economic development programs 14
that are critical to the state and local economies of our 15
nation; and 16

WHEREAS, The federal tax exemption is part of a more- 17
than-century-old system of reciprocal immunity under which 18
owners of municipal bonds are not required to pay state and 19
federal income tax on the interest they receive from municipal 20
bonds; and 21

WHEREAS, The federal tax exemption provides a significant 22
difference between public sector and private sector debt 23
financing; and 24

WHEREAS, The benefits of lower capital costs attributable 25
to tax-exempt financing include reduced property tax rates for 26
taxpayers, greater local investments, or both; and 27

WHEREAS, From time to time the President and the Congress 28
of the United States have proposed legislation to tax or alter 29
the federal exemption of interest earned on municipal bonds; now 30
therefore be it 31

RESOLVED, That we, the members of the 131st General 32
Assembly of the State of Ohio, oppose any effort to eliminate or 33
limit the federal tax exemption on interest earned on municipal 34
bonds, and urge the President, and any future administration, 35
and the Congress of the United States, to retain the current 36
tax-exempt status of municipal bonds; and be it further 37

RESOLVED, That the Clerk of the House of Representatives 38
transmit duly authenticated copies of this resolution to the 39
President of the United States, the Speaker and Clerk of the 40
United States House of Representatives, the President Pro 41
Tempore and Secretary of the United States Senate, each member 42
of the Ohio Congressional delegation, and the news media of 43
Ohio. 44