

As Introduced

**131st General Assembly
Regular Session
2015-2016**

H. C. R. No. 7

Representative Sprague

**Cosponsors: Representatives Amstutz, Blessing, Derickson, Dever, Hambley,
Rezabek, Ruhl, Sheehy**

ACONCURRENT RESOLUTION

To urge the President and the Congress of the United 1
States to preserve the tax-exempt status of municipal 2
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 is 4
the ability of local governments to issue bonds that are free 5
from federal taxation in order to raise capital to finance 6
infrastructure projects that are vital to our nation, such as 7
road, bridge, hospital, school, and utility system projects; and 8

WHEREAS, The exclusion of interest on state and local 9
obligations from federal gross income is an important financing 10
tool at a time when building and rebuilding infrastructure is 11
required to meet federal mandates, promote community growth, and 12
support economic development programs that are critical to the 13
state and local economies of our nation; and 14

WHEREAS, The federal tax exemption is part of a more-than- 15
century-old system of reciprocal immunity under which owners of 16
municipal bonds are not required to pay state and federal income 17
tax on the interest they receive from municipal bonds; and 18

WHEREAS, The federal tax exemption provides a significant 19
difference between public sector and private sector debt 20
financing; and 21

WHEREAS, The benefits of lower capital costs attributable 22
to tax-exempt financing include reduced property tax rates for 23
taxpayers, greater local investments, or both; and 24

WHEREAS, From time to time the President and the Congress 25
of the United States have proposed legislation to tax or alter 26
the federal exemption of interest earned on municipal bonds; now 27
therefore be it 28

RESOLVED, That we, the members of the 131st General 29
Assembly of the State of Ohio, oppose any effort to eliminate or 30
limit the federal tax exemption on interest earned on municipal 31
bonds, and urge the President, and any future administration, 32
and the Congress of the United States, to retain the current 33
tax-exempt status of municipal bonds; and be it further 34

RESOLVED, That the Clerk of the House of Representatives 35
transmit duly authenticated copies of this resolution to the 36
President of the United States, the Speaker and Clerk of the 37
United States House of Representatives, the President Pro 38
Tempore and Secretary of the United States Senate, each member 39
of the Ohio Congressional delegation, and the news media of 40
Ohio. 41