

**As Adopted by the House**

**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**

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**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