



December 18, 2015

The Honorable Ben Cardin
United States Senator
509 Hart Senate Office Building
Washington, DC, 20510

Dear Senator Cardin,

The Maryland Association of Counties (MACo), representing county governments across the state of Maryland, asks you to defend the tax exemption for municipal bonds. The debate on this topic continues as Congress considers a tax reform package in 2016.

In the effort to maintain the tax-exempt status of municipal bonds, we now join with the National Organization of State Treasurers, who recently sent a letter and resolution on this topic to Chairman Camp and Ranking Member Levin of the US House of Representatives Ways and Means Committee.

Tax-exempt municipal bonds are the most important tool in the United States for financing state and local infrastructure. Municipal bond financing supports schools, hospitals, water, sewer facilities, public power utilities, roads and mass transit. From 2003-2012, Maryland state and local governments used \$19.2 billion in municipal bonds for infrastructure investment.

The National Organization of State Treasurers (NAST) states,

NAST opposes legislative and regulatory measures that seek to repeal the exemption of municipal bond interest from federal and applicable state income taxation. It also opposes efforts to curtail the use and attractiveness of tax-exempt bonds or to discourage investment in tax-exempt bonds, and opposes any federal legislation that diminishes the value or impairs the use of tax-exempt bonds.

As you represent Maryland in the federal fiscal debates, we ask that you join with MACo and NAST and help defend the tax-exempt status of municipal bonds.

Sincerely,

A handwritten signature in black ink, appearing to read 'John F. Barr'.

John F. Barr
President, Maryland Association of Counties
Commissioner, Washington County