

November 8, 2017

The Honorable Mitch McConnell
317 Russell Senate Office Building
Washington, DC 20510

Re: House Tax Bill

Dear Senator McConnell,

Thank you for your continuing public service and the work you do for a region we both care about. We know you've been focused on bringing opportunity to the region, and we appreciate that, but I'm writing to let you know that the current House tax bill and its approach doesn't work well for our part of the country. The current House bill would:

- Reduce the top corporate tax rate from 35% to 20% on January 1, 2018, throwing all programs that depend on corporations desiring tax credits, such as the LIHTC, into disarray;
- Eliminate the tax exemption on private activity bonds, including multifamily housing bonds, which provide critical financing to roughly half of all LIHTC developments;
- Terminate the New Markets Tax Credit at the end of 2017.

[Accountants Novogradac & Company](#) found that eliminating the tax exemption on multifamily housing bonds and reducing the corporate tax rate will reduce our future supply of affordable rental housing by nearly one million units over 10 years—cutting production of Housing Credit units by as much as two thirds. Fahe believes in creating more affordable housing, including rental, not less, so this bill is in the wrong direction.

Stepping back, although we understand and share the desire for more economic development that proponents of this bill believe it will bring, we believe this bill as written is a bad deal for the families we're working for, the region we serve, and the country as a whole. A reduction of a couple hundred dollars in individual income taxes is not worth this expensive bill's crowding out of important investments in jobs, infrastructure, and health & retirement that benefit our region and our country.

Groups from the National Association of Counties to the National League of Cities are opposing this bill for the serious effects it will have on our public investments. We oppose it in its current form as well, and instead encourage Congress to find ways to invest in our region and in our country.

Sincerely,



James King
President & CEO



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Strength in Numbers

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