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LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



November 10, 2017

Senate Releases Tax Reform Bill

On Thursday evening, the Chairman of the Senate Committee on Finance Orrin Hatch (R-UT) released the Chairman's Mark of his Tax Cuts and Jobs Act. It is important to note that while this is a detailed summary of proposed changes to the tax code, legislative text is not yet available. As we are provided the bill language, we will be sure to update the membership.

The proposal would make significant changes to current law that impact the public transportation industry, which APTA spoke to in a letter to the Finance Committee this afternoon. To view the Chairman's Mark in its entirety as well as supplementary documents provided, please [visit the committee website](#).

For more than a year, APTA has advocated the industry's strong support for maintaining the tax exempt status of municipal bonds, the commuter tax benefit, alternative fuels tax credits, private activity bonds (PABs), and the need to address the long-term solvency of the Highway Trust Fund. Unfortunately, the bill fails to address most of APTA's key priorities. Specifically:

- The bill does not address the solvency of the Highway Trust Fund, which represents a missed opportunity to address our long-term transportation infrastructure challenges.
- Unlike the House version, the bill appears to maintain Private Activity Bonds (PABs), which are utilized for the construction of rail and bus infrastructure and facilities. Unfortunately, it includes mirrors the House proposal with a provision to eliminate the ability to advance refundability of municipal bonds. The ability to take advantage of lower interest rates for a one-time refinance is a significant contributor to the attractiveness and utility of these bonds, and its repeal will only disincentive their use.
- Unfortunately, the Senate draft would not extend the alternative fuels and related infrastructure tax credits that expired on December 31, 2016. Failure to renew these credits will discourage future investment in CNG and LNG fleets and associated infrastructure.
- Regarding the Commuter Tax Benefit, the Chairman's Mark appears to eliminate employer's ability to deduct the cost of these benefits, which could be a disincentive for them being offered by employers that help defray costs for working families.

The Committee on Finance is expected to markup this legislation on November 13, 2017 at 3:00 p.m. **APTA encourages you to [contact your Senators](#) to address these key issues in this legislation.**

APTA continues to review this legislation and will be closely tracking these issues as the legislative process continues.

American Public Transportation Association
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1300 I Street NW, Suite 1200 East, Washington, DC 20005
(202) 496-4800 | www.apta.com