

FOR IMMEDIATE RELEASE

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Colorado Treasurer Walker Stapleton urges Colorado Congressional delegation to keep municipal bonds tax exempt

Denver, CO—Today, citing economic development and job creation, Colorado Treasurer Walker Stapleton sent a letter to Colorado's full Congressional urging them to keep municipal bonds tax-free. This letter follows personal visits to Capitol Hill during the National Association of State Treasurers Conference in Washington, D.C. to visit members of Colorado's delegation to discuss this important issue.

"Municipal bonds are the way we build schools, fund roads and fundamental infrastructure projects," stated Treasurer Stapleton. "Every member I met with understood the importance of this issue. I look forward to continuing the dialogue and fighting to make sure we keep this important catalyst for economic growth intact."

Treasurer Stapleton stated in his letter:

"While the prospect for a tax overhaul that includes this provision is unlikely in the current fiscal year, state treasurers and other state and local officials are organizing to protect a cornerstone of the \$3.9 trillion market for municipal debt. Proposals to change this commitment to tax-free municipal bonds would not only be costly for state and local taxpayers, but also result in fewer projects, fewer jobs and further deterioration of our infrastructure."

Treasurer Stapleton took office in January 2011. Before being elected, he served as chief financial officer and chief executive officer of various private and publicly-traded companies.

Full text of letter

Colorado Congressional Leadership:

Last week I joined 600 state and local officials asking Congress not to tax the interest paid to municipal-bond investors, warning that the municipal market is a vital mechanism for financing schools, roads, transit systems and other infrastructure projects that create jobs. I visited many of your offices to discuss this issue but am writing this follow-up letter to underscore the importance of this issue.

Many major municipal projects are typically funded through the issuance of municipal bonds, bonds that are federally tax-exempt. Eliminating or reducing this tax-exemption would have a negative impact on states and localities abilities to fund new infrastructure projects or to provide funding for the rehabilitation and repair of existing infrastructure.

While the prospect for a tax overhaul that includes this provision is unlikely in the current fiscal year, state treasurers and other state and local officials are organizing to protect a cornerstone of the \$3.9

trillion market for municipal debt. Proposals to change this commitment to tax-free municipal bonds would not only be costly for state and local taxpayers, but also result in fewer projects, fewer jobs and further deterioration of our infrastructure.

Removing the tax-exempt status of these bonds for select taxpayers would cause a devastating ripple effect—one that would ultimately cause every American to foot the bill. I and other treasurers have called on and will continue to call on Congress to preserve this necessary funding mechanism so that schools, roads, hospitals, and more receive the fundamental improvements our communities deserve.

Sincerely,

Treasurer Walker R. Stapleton

SENT VIA ELECTRONIC MAIL