

**As Introduced**

**130th General Assembly  
Regular Session  
2013-2014**

**H. C. R. No. 58**

**Representative Sprague**

**Cosponsors: Representatives Beck, Derickson, Sheehy, Stebelton,  
Thompson**

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**CONCURRENT RESOLUTION**

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 is 4  
the ability of local governments to issue bonds that are free from 5  
federal taxation in order to raise capital to finance 6  
infrastructure projects that are vital to our nation, such as 7  
road, bridge, hospital, school, and utility system projects; and 8

WHEREAS, The exclusion of interest on state and local 9  
obligations from federal gross income is an important financing 10  
tool at a time when building and rebuilding infrastructure is 11  
required to meet federal mandates, promote community growth, and 12  
support economic development programs that are critical to the 13  
state and local economies of our nation; and 14

WHEREAS, The federal tax exemption is part of a 15  
more-than-century-old system of reciprocal immunity under which 16  
owners of municipal bonds are not required to pay state and 17  
federal income tax on the interest they receive from municipal 18

bonds; and 19

WHEREAS, The federal tax exemption provides a significant 20  
difference between public sector and private sector debt 21  
financing; and 22

WHEREAS, The benefits of lower capital costs attributable to 23  
tax-exempt financing include reduced property tax rates for 24  
taxpayers, greater local investments, or both; and 25

WHEREAS, From time to time the President and the Congress of 26  
the United States have proposed legislation to tax or alter the 27  
federal exemption of interest earned on municipal bonds; now 28  
therefore be it 29

RESOLVED, That we, the members of the 130th General Assembly 30  
of the State of Ohio, oppose any effort to eliminate or limit the 31  
federal tax exemption on interest earned on municipal bonds, and 32  
urge the President, and any future administration, and the 33  
Congress of the United States, to retain the current tax-exempt 34  
status of municipal bonds; and be it further 35

RESOLVED, That the Clerk of the House of Representatives 36  
transmit duly authenticated copies of this resolution to the 37  
President of the United States, the Speaker and Clerk of the 38  
United States House of Representatives, the President Pro Tempore 39  
and Secretary of the United States Senate, each member of the Ohio 40  
Congressional delegation, and the news media of Ohio. 41