

## **LETTER FROM SOUTH CAROLINA MAYORS TO THE STATE'S CONGRESSIONAL DELEGATION**

Contact Casey Fields ([cfields@masc.sc](mailto:cfields@masc.sc)) to be added to the list.  
Deadline for signatures is Thursday, November 9, at noon.

We are writing on behalf of the state's 271 cities and towns to voice our concern over a number of provisions in the recently released tax reform package that would limit local governments' ability to attract jobs, industry and business.

While we were pleased to see the deduction on municipal bonds' interest remains untouched, there are many provisions in this proposal that concern us. The following will certainly have harmful impacts:

- Eliminating the deduction for state income and local and state sales taxes;
- Eliminating the deduction for city and county property taxes above \$10,000;
- Eliminating the New Markets Tax Credit, the Historic Preservation Tax Credit and the Work Opportunity Tax Credit, which cities widely use as incentives for economic development;
- Eliminating advance refunding of municipal bonds, effective December 31, 2017;
- Eliminating Clean Renewable Energy Bonds, Energy Conservation Bonds, Qualified Zone Academy Bonds, Build America Bonds and other tax credit bonds effective December 31, 2017; and
- Eliminating private activity bonds, effective December 31, 2017.

We recognize that our federal tax code is complex and in need of simplification. However, we have serious concerns about Congress reducing the flexibility of a variety of funding options local officials must have in order to raise the revenues needed to meet our communities' needs.

As this tax reform package makes its way through Congress, we strongly ask that you consider the impact these changes would have on our local economies. Each of us can provide many specific examples of how these deductions, credits and exemptions are positively impacting our communities.

Please don't hesitate to reach out to any of us or the staff at the Municipal Association of South Carolina if you have questions about the serious impact these provisions would have in our state's cities and towns.

Sincerely