



SCOTT WALKER
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December 12, 2017

The Honorable Paul D. Ryan
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

Dear Speaker Ryan and Majority Leader McConnell:

As Congress works to pass meaningful tax reform, I write to express concerns with the provision in the House tax reform legislation that eliminates the tax-exemption for private activity bonds, including private activity bonds for qualified non-profit hospital bonds. Here in Wisconsin, several of our hospitals, especially our smaller and more rural hospitals, have cited concerns with the elimination of private activity bonds' tax-exempt status.

Currently, state and local governments can utilize private activity bonds to invest in hospital projects that have a public benefit. Non-profit hospitals and health care providers in Wisconsin rely on these private activity bonds to keep infrastructure costs down so that they can focus their valuable resources on patient care and service delivery. In fact, in 2016 Wisconsin hospitals collectively used \$1.8 billion of their resources to provide benefits to the communities they serve. These benefits included charity care and uncompensated care. Without these tax-exempt bonds, non-profit hospitals could be faced with shifting resources away from community benefits for infrastructure related costs.

As you can see, private activity bonds have helped health care providers keep costs low so that they can focus resources on patients and services. I urge you to keep the tax-exemption for private activity bonds.

Sincerely,

Scott Walker
Governor

cc: Wisconsin Congressional Delegation