



NAHEFFA Statement on Tax Cuts and Jobs Act

The National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) President Donna Murr today issued the following statement regarding the release of the *Tax Cuts and Jobs Act* and its impact on non-profit hospitals and higher education institutions, as well as many other public charities such as walk-in clinics, sheltered workshops, and Boys & Girls Clubs.

“The National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) is deeply concerned by provisions in the *Tax Cuts and Jobs Act* that would eliminate the tax exemption for private activity bonds and devastate thousands of public charities nationwide.

Non-profit hospitals and higher education institutions, and other public charities, are found in virtually every community across the nation and depend on tax-exempt private activity bonds as a financing option for a wide range of projects including general acute care hospitals, continuing care retirement communities, children’s hospitals, comprehensive cancer centers, general medical and surgical facilities, single specialty hospitals, higher education facilities, assisted living and nursing homes, and private non-profit schools. Without access to tax-exempt private activity bonds, many of these critical facilities simply would not be built.

Maintaining the tax exempt status of private activity bonds is crucial to ensuring that public charities have access to capital for critical infrastructure projects. Low-cost access to capital helps keep public charities strong, enabling them to keep infrastructure expenditures low so they can efficiently fulfill their missions and focus on the work they do for the public good – making our lives, our economy, and our nation stronger.

These are not ‘private business’ transactions. They are public purpose financings, allowing the charitable sector to do what government would have to do otherwise.

Specific to private activity bonds used for public charities, the provisions in the Tax Cuts and Jobs Act would have a significantly negative impact on the nation’s economy. According to analysis conducted by IHS Global, eliminating the ability of public charities to use private activity bonds would reduce the nation’s gross domestic product by \$23.6 billion and eradicate nearly 300,000 jobs generating more than \$15 billion in labor income. While the Tax Cuts and Jobs Act is intended to spur job creation, the private activity bonds provisions of the bill would have the opposite effect, as for every billion dollars of financed capital spending, 18,000 jobs are created. The IHS Global study on the positive economic impact of tax exempt bonds for public charities can be found [here](#).

The *Tax Cuts and Jobs Act* provisions eliminating the tax exemption for private activity bonds would have a severe and negative impact on the ability of public charities to make capital improvements, and we urge Congress to reconsider the proposal.”