

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. RES. 14

Expressing the sense of the House of Representatives that Federal laws regarding the taxation of State and local government bonds should not be changed in order to increase Federal revenues.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. COMBEST submitted the following resolution; which was referred to the Committee on Ways and Means

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# RESOLUTION

Expressing the sense of the House of Representatives that Federal laws regarding the taxation of State and local government bonds should not be changed in order to increase Federal revenues.

Whereas, in *South Carolina v. Baker*, the Supreme Court of the United States ruled that Congress may tax interest on State and local government bonds;

Whereas these bonds are an important source of revenue for State and local governments in order to finance public projects, such as new roads, bridges, and schools;

Whereas the taxation of interest on State and local government bonds would severely impair the ability of these governments to finance such projects; and

Whereas, historically, Congress has respected the important role of these bonds in funding public projects by refraining from taxing the interest on such bonds: Now, therefore, be it

1       *Resolved*, That it is the sense of the House of Rep-  
2       resentatives that Federal laws regarding the taxation of  
3       State and local government bonds should not be changed  
4       in order to increase Federal revenues.

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