

Tax-Exempt Bonds

Democrats to Reintroduce PROGRESS Act To Promote Mass Transit, Alternative Fuels

House Majority Leader Steny Hoyer (D-Md.) said March 1 that he plans to reintroduce an energy bill called the PROGRESS Act that will include tax-exempt bonds to promote high-speed rail.

Hoyer said the measure will be introduced the week of March 5. The text of the new bill is not yet available but Hoyer said it will be virtually identical to a measure (H.R. 5965) he introduced in the 109th Congress, also called the PROGRESS Act. No action was taken on that bill in the 109th Congress.

The bill will focus primarily on expanding alternative fuels, such as ethanol, and promoting new vehicle technologies such as fuel cells, hydrogen, and plug-in hybrids, Hoyer said.

It would include about \$15 billion in authorizations but nothing in tax incentives except for bonds.

Hoyer's 2006 bill would have authorized states to issue billions of dollars in tax-exempt, private-activity bonds that would not be subject to caps. **The tax-favored bonds could be used by private companies to develop and implement new technologies for rail and mass transit, such as magnetic levitation trains.**

Hoyer said the bill will be referred to several committees over the next several weeks. House Speaker Nancy Pelosi (D-Calif.) has set a goal of passing energy-related and climate change legislation by the July 4 recess.

By Lynn Garner