



May 20, 2010

Dear Member of Congress:

Counties of all sizes are facing significant fiscal challenges as the broad national economic downturn continues and unemployment rates remain high. An October 2009 NACo survey, of primarily midsize and smaller counties found that 56 percent of the responding counties began their fiscal years with projected budget shortfalls of up to \$10 million.

The inclusion of the following provisions in the American Jobs and Closing Tax Loopholes Act (H.R. 4213) will save American taxpayers money, promote job creation and growth, and help alleviate some of the strains on tight local and state government budgets.

- Six-month extension of the temporary increase in the Federal Medicaid Matching Rate;
- One-year extension and funding of the Temporary Assistance for Needy Families Emergency Contingency Fund;
- Funding for the youth summer jobs programs;
- Extension of the Build America Bonds and Recovery Zone Bonds programs;
- Exclusion of water and sewer exempt-facility bonds from state volume caps;
- Exemption of interest on tax-exempt private activity bonds from the alternative minimum tax;
- Extension of the \$30 million threshold when determining whether a tax-exempt obligation qualifies for the small issuer exception;
- Continued deduction for state and local general sales tax;
- One-year extension of the additional standard deduction for state and local real property taxes;
- Extension of tax-exempt eligibility for loans guaranteed by Federal Home Loan banks;
- Capitalization of the National Housing Trust Fund;
- Reinstatement of the geothermal receipts formula directing 25% of all funds received under the Geothermal Steam Act of 1970 to counties in which the leased lands or geothermal resources are located; and
- Six-month extension of the National Flood Insurance Program.

The National Association of Counties, the only national organization representing county government, strongly supports the above-mentioned provisions of H.R. 4213 and urges you to oppose any amendments to strike them from the bill.

Sincerely,

A handwritten signature in black ink that reads "Larry E. Naake". The signature is written in a cursive style.

Larry E. Naake
Executive Director

