**CREDIT UNION TAX EXEMPTION SAFE UNDER TAX REFORM PROPOSAL**

*But concern over expanding tax liability to federal credit unions*

Statement by Credit Union Natl. Assn. (CUNA) President and CEO Bill Cheney

On tax reform plan issued by Rep. Dave Camp (R-Mich.)

The release of the tax reform proposal today by House Ways and Means Committee Chairman Dave Camp (MI) marks the beginning of an important new chapter in the tax reform process. We are gratified that the specific credit union tax exemption is untouched in the Camp proposal, based on our initial read. But we do have concerns that some federal credit unions could be subjected to tax liability under other portions of the tax code.

After three years of mostly behind-the-scenes efforts, the chairman has found that there is no reason to change or eliminate our tax exemption. We consider this an endorsement of our long-held position that credit unions' cooperative, not for profit structure remains the bedrock upon which the tax exemption is built. Reinforcing our position over the past nine months were the actions by CUNA, state associations and credit unions, which together amassed 1.3 million contacts with lawmakers urging them "don't tax my credit union."

We are concerned that the tax proposal appears to subject federal credit unions to a tax on “unrelated business activities” for the first time. We will be working with lawmakers to obtain more clarity on this provision.

The Camp proposal is the first word on tax reform, not the last.  We know the tax reform process will be long, and will not conclude until a president signs a tax reform bill.  Throughout the process, credit unions will continue to actively advocate for the credit union tax status.”