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<tr><th>Topic</th><th>Impact</th><th>Status</th><th>Position</th></tr>
<tr><td>Qualified tuition reduction</td><td>Tuition waivers to employees and graduate students would now be taxed at sticker price, substantially increasing the tax burdens of employees and institutions</td><td>• House: taxed
• Senate: no change</td><td>Do not tax in final version</td></tr>
<tr><td colspan="4">Taxing tuition waivers for employees and graduate students ultimately hurts families and students. The House's tax reform bill would treat qualified tuition reductions as taxable income. This would restrict even further the options that low-income individuals have to help their child obtain a college degree. Currently, colleges and universities can provide their employees with tax-free tuition waivers that help them or their dependents to attend the university. This is a great example of a high-value benefit that comes at no cost to the government. The university benefits by providing a valuable incentive that helps them attract and retain high quality employees – without passing costs on to students in the form of higher salaries. However, under the bill the House passed, this would be treated as taxable income making it more difficult for low income families to send their children to college, especially given that 50 percent of employees receiving tuition reductions for themselves or family members earned $50,000 or less, according to the College and University Professional Association for Human Resources. In addition, it would drive up the institution's FICA burdens, costs that would have to be passed along to students in the form of higher tuition.</td></tr>
<tr><td>Private activity bonds</td><td>Capital would be more expensive for colleges/universities to access, raising the cost of important building and modernization projects</td><td>• House: taxed
• Senate: no change</td><td>Do not tax in final version</td></tr>
<tr><td colspan="4">Abolishing the tax exemption for private activity bonds will raise costs or hurt the quality of education. Private, nonprofit institutions, including colleges and universities, use qualified 501(c)(3) private activity bonds to obtain low-cost access to capital. This helps ensure continual improvement of facilities like laboratories, classrooms, and other facilities while still keeping costs low for students. Between 2003 and 2012, this allowed nonprofits to raise $554 billion for capital projects. If the tax exemption had been eliminated over that time period, it would have cost them an additional $166.3 billion. Increasing the cost of capital for colleges and universities will ultimately raise the cost of higher education for students or reduce the quality of educational facilities. In addition, this provision would only affect private institutions of higher education, financially handicapping the sector with the most success at educating low-income and first-generation college students.</td></tr>
<tr><td>Student Loan Interest Deduction</td><td>Repaying student loans would be more difficult for graduates because the bill repeals this deduction</td><td>• House: eliminated
• Senate: no change</td><td>Do not eliminate in final version</td></tr>
<tr><td colspan="4">Abolishing the Student Loan Interest Deduction will make loan repayment harder. The Student Loan Interest Deduction allows individuals with qualifying incomes (under $80,000 for an individual return or $160,000 for a joint return) to deduct up to $2,500 that they paid in student loan interest. The elimination of this deduction will cost borrowers $24 billion over the next 10 years. With over $1.36 trillion in outstanding student debt, now is not the time to make it harder for recent graduates to repay their student loans.</td></tr>
<tr><td>Employer-provided education assistance</td><td>Students would now be taxed on the up to $5,250/year that employers can provide in tax-free education assistance</td><td>• House: taxed
• Senate: no change</td><td>Do not tax in final version</td></tr>
<tr><td colspan="4">Taxing employer-provided education assistance will hurt workforce development. Under current law, employers can provide up to $5,250 each year in tax-free education assistance. This can help their employees earn an associate's degree, complete a bachelor's degree, or even pursue advanced degrees. Such assistance is good for the employer, the employee, and the workforce. Under the House's tax bill, this assistance would be taxed, which will discourage employees from using this benefit and employers from investing in the training their employees need.</td></tr>
<tr><td>Lifetime Learning Credit</td><td>Higher education would be more expensive for part-time, graduate, and non-traditional students</td><td>• House: eliminated
• Senate: no change</td><td>Do not eliminate in final version</td></tr>
<tr><td colspan="4">Abolishing the Lifetime Learning Credit will hurt non-traditional students. Non-traditional students make up an ever-increasing part of student populations. In this digital age, the traditional, full-time, four-year residential experience is no longer the standard. The Lifetime Learning Credit recognizes this by helping graduate students, part-time students, and lifelong learners pursue higher education. Repealing this credit, as the House bill does, undermines the work that colleges and universities have done to make higher education more widely available.</td></tr>
<tr><td>Endowment tax</td><td>Taxing private colleges on endowment investment income both sets dangerous precedent of misappropriating money intended for education and unfairly puts private colleges at a disadvantage compared to public institutions</td><td>• House: included (if assets total $250,000 per student)
• Senate: included (if assets total $500,000 per student)</td><td>Do not include in final version</td></tr>
<tr><td colspan="4">Taxing endowments unfairly targets private universities and sets a dangerous precedent. Both the House and Senate bills would create an excise tax on the investment income endowments of private colleges and universities. While there are some limits on it, like only applying it to schools with over 500 students and endowments whose value exceeds $500,000 per student, there are two key problems. The first problem is favoritism: it favors public higher education over private higher education. While plenty of public universities have large endowments, they are categorically excluded from this excise tax. While we don't believe either private or public institutions should have their endowment income taxed, certainly such tax measures shouldn't play favorites. The second problem is precedent: once created, new taxes are more likely to be expanded than disbanded. For example, the current limit could and likely would creep lower over time, taxing an increasing number and types of institutions. Endowment funds are not slush funds, but rather designations from generous donors who wish to support the university's mission. Taxing the investment income from these endowments ultimately hurts students by diverting funds from colleges to Congress.</td></tr>
<tr><td>Universal Charitable Deduction</td><td>Charitable giving will decrease $12-20 billion/year (according to the Tax Policy Center) because doubling the standard deduction will reduce the number of taxpayers with an incentive to itemize – and thus who will no longer claim the charitable giving deduction. An above-the-line deduction would ensure that all taxpayers can claim their charitable gifts.</td><td>• House: NOT included
• Senate: NOT included</td><td>Include a universal charitable deduction in the final version. (Should be based on the "Universal Charitable Giving Act of 2017" [HR 3988 / S. 2123])</td></tr>
<tr><td colspan="4">Changing incentives for charitable donation will significantly reduce donations to colleges and universities. Doubling the standard deduction will lead to fewer taxpayers itemizing their deductions. The Tax Policy Center estimates that only 13 million taxpayers will itemize their deductions in 2018 under the House bill, versus 46 million who would under current law. They estimate the House bill would reduce individual charitable giving by 4 percent to 6.5 percent, or about $12.3 billion to $19.7 billion, per year. Much of this comes from small donations from alumni. Ultimately, this is less money to support our students and advance our mission.</td></tr>
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