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 attract and retain highly qualified employees—without passing costs onto 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.

Abolishing the exempt tax 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 construction 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 $116 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.

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 38.3 million outstanding student debt, new is not the time to make it harder for recent graduates to repay their student loans.

Employer-provided education assistance will hurt workforce development. Under current law, employers can provide up to $5,250/year that employees can claim their charitable in-kind contributions as 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 training their employees.

Lifelong Learning Credit will not help students. Higher education would be more expensive for part-time, graduate, and non-traditional students. With over 38.3 million outstanding student debt, new is not the time to make it harder for recent graduates to repay their student loans.

Endowment tax 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 allow all taxpayers who claim their charitable gifts.

Universal Charitable Deduction would include a universal charitable deduction in the final version. (Should be based on the “Universal Charitable Giving Act of 2012” [HR 3988 / S. 1213]).

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.