

## Proposed *Tax Cuts and Jobs Act*

For over a century, the United States has offered higher education that is the envy of the world, enhancing our global standing and competitiveness. The proposed *Tax Cuts and Jobs Act* legislation will do lasting damage to our system of national education, hurting us at home and abroad for countless years to come. We wish to encourage you to contact your respective Congressional legislators, and urge them to reject or amend this harmful bill. Here is a link you can use to find your Congressional delegation (below), and a few talking points you could draw from as you prepare your correspondence:

<https://www.usa.gov/elected-officials>

### **Draft Memorandum: Re Proposed Tax Cuts and Jobs Act**

The proposed *Tax Cuts and Jobs Act* will directly damage higher education in this country. The *Act* includes a number of changes to the tax code that will significantly increase the cost of college education, and add to the mounting student debt.

This will be done at a time when lawmakers and the public should be keenly focused on lowering college cost and student debt burdens, this bill makes higher education in America more costly and less accessible. It harms higher education in the following ways:

- New excise taxes on college endowments will take money away from needy students and vital college operations. Endowment income plays a major role in maintaining financial aid and covering educational costs. The taxation of this income will weaken access to college, academic programs, and physical plants. It will directly cause job losses at many colleges and universities (thereby hurting local economies).
- The elimination of colleges' access to tax-free funding (via the municipal bond market) will hurt their ability to build and maintain educational facilities at reasonable cost.
- The elimination of itemized deductions among 95% of taxpayers will greatly reduce charitable giving, as will elimination of the estate tax. The loss of this support will directly reduce both financial aid for students in need and educational programming that prepares students to be productive citizens.
- Three repeals that penalize students:
  - the repeal of the deduction for interest on tuition loans,
  - the repeal of the Hope Scholarships Tax Credit, and
  - the repeal of the Lifelong Learning Credit

This bill will make it harder for Americans to afford college tuition and will significantly increase student debt. The result will be less educated and less solvent citizens.

The cumulative result of these tax changes will be losses in:

- jobs and national economic health
- educational quality
- innovation and discovery
- American global competitiveness.