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## The Costliest Tax Breaks for Education

The tax reform proposal released by the Big Six tax negotiators recommends adjusting some deductions and credits to help individual and corporate taxpayers — changes that could result in fewer tax dollars paid to the federal government. To pay for the proposed adjustments and new income tax rates, the plan calls for repealing major tax breaks across industries. If lawmakers follow through on their promise to pass the bill and cut taxes, Congress may target the costliest tax breaks to offset new changes in the tax code.

The following tax breaks, estimated by the Joint Committee on Taxation, are the costliest for the education industry in fiscal 2017:

### Costliest individual tax expenditures

FY2017, IN BILLIONS OF DOLLARS

Credits for tuition for post-secondary education	\$19.6
Deduction for charitable contributions to educational institutions	\$9.6
Parental personal exemption for students aged 19 to 23	\$4.5
Exclusion of scholarship and fellowship income	\$3.7
Exclusion of interest on state and local government qualified private activity bonds for private nonprofit and qualified public educational facilities	\$2.8
Deduction for interest on student loans	\$2.3
Exclusion of employer-provided education assistance benefits	\$1.2
Qualified school construction bonds	\$1.2
Exclusion of tax on earnings of qualified tuition savings account programs	\$1.0
Exclusion of interest on state and local government qualified private activity bonds for student loans	\$0.4

### Costliest corporate tax expenditures

FY2017, IN BILLIONS OF DOLLARS

Exclusion of interest on state and local government qualified private activity bonds for private nonprofit and qualified public educational facilities	\$1.0
Deduction for charitable contributions to educational institutions	\$0.9
Exclusion of interest on state and local government qualified private activity bonds for student loans	\$0.2
Credit for holders of qualified zone academy bonds	\$0.2

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