

Nov. 10, 2017

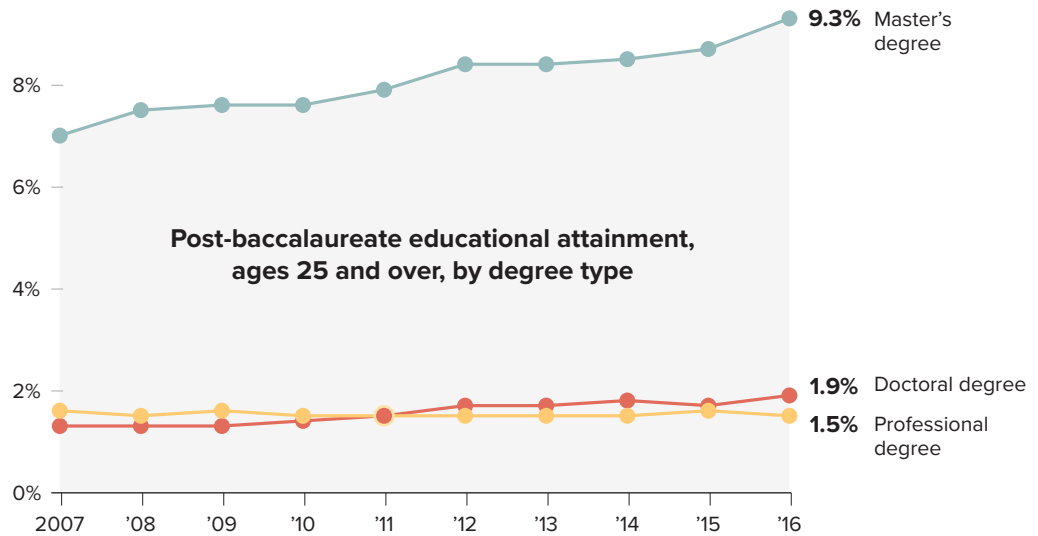
## Graduate Students Would Get a Tax Hike Under House Plan

Under current tax law, graduate students who teach and perform research as part of their academic studies do not pay income tax on the tuition waivers that often accompany their degree programs. The House Republicans' proposed tax reform bill, the Tax Cuts and Jobs Act, would repeal that provision, increasing the tax burden on the almost 150,000 graduate students who receive such waivers, as last calculated by the National Center for Education Statistics in 2013. Education advocacy organizations, such as the American Council on Education and 45 others who co-signed a letter decrying the proposal, state the tax changes may discourage participation in postsecondary education.

### Advanced Degrees Are on the Rise

Nearly 13 percent of Americans hold graduate degrees. While the percentage of those who have professional degrees has held steady over the last decade, the share obtaining master's and doctoral degrees has increased.

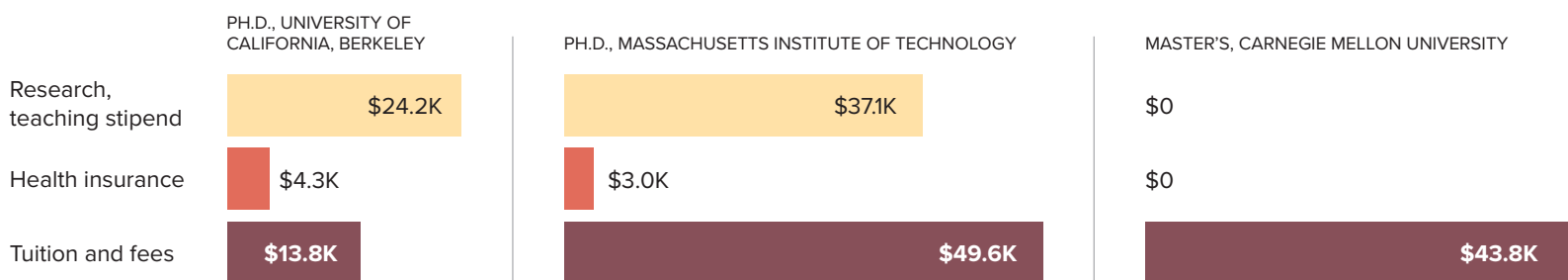
In 2013, the National Center for Education Statistics reported that 60.2 percent of research- and scholarship-focused doctoral students, and 32.2 percent of master's students, received grants, scholarships or tuition waivers to offset the cost of their education. Fifty-seven percent of tuition reductions went to graduate students pursuing degrees in STEM fields.



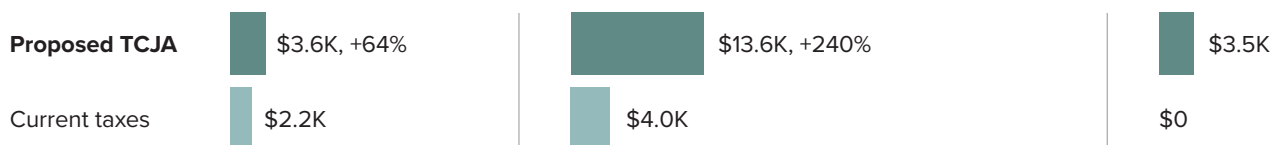
### Private School Students Would Be Among the Hardest Hit

Doctoral students who teach and do research as part of their programs often maintain part-time employment as teaching or research assistants, working about 20 hours a week for a mean annual wage of roughly \$36,000 per year. In addition to waived tuition, their health insurance is often also provided for by their institution. Tuition costs differ across Ph.D. programs, depending upon the type of study pursued and whether a student attends a public or private university. Under the House Republicans' proposed tax plan, tax burden increases would vary widely based on those factors.

#### Examples of income, tuition and tax burden under current and proposed tax legislation



Under the proposed Tax Cuts and Jobs Act, taxes would be owed based on the combined total of the stipend, health insurance and tuition and fees. Currently, taxes owed are based only on wages earned.



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