

November 15, 2017

The Honorable Paul Ryan
Speaker of the House
United States House of Representatives
H-232, U.S. Capitol
Washington, DC, 20515

The Honorable Nancy Pelosi
House Minority Leader
United States House of Representatives
H-204, U.S. Capitol
Washington, DC, 20515

Re: H.R. 1, the *Tax Cuts and Jobs Act*

Dear Speaker Ryan and Minority Leader Pelosi:

The American Council on Education and nearly 50 other higher education associations wrote the House Committee on Ways and Means Nov. 6 to express grave concerns with H.R. 1, the *Tax Cuts and Jobs Act*, as it was being marked up in the committee. All of those concerns remain in force with the bill that was approved by Ways and Means and is slated for a House floor vote.

It is possible to offer tax relief to hard-working middle-class and lower-income Americans in a way that does not increase college costs and does not make a quality higher education less accessible. We are eager to work with Congress to enact such legislation, but that is not H.R. 1 as presently drafted.

Therefore, I write today to express our strong opposition to the provisions, which would discourage participation in postsecondary education, make college more expensive for those who do enroll, and undermine the financial stability of public and private, two-year and four-year colleges and universities. As we noted in our letter (attached) to Ways and Means, **the committee's summary of the bill showed that its provisions would increase the cost to students attending college by more than \$65 billion between 2018 and 2027.** This is not in America's national interest.

Colleges and universities also have a number of concerns about other provisions that would negatively impact students by lessening charitable giving, limiting university-industry partnerships, and compromising educational quality.

In addition, the bill would fundamentally change the way nonprofits are treated by creating a new and unprecedented tax on endowments of certain private colleges and universities. This provision undermines the very nature of the tax-exempt status of private colleges and universities. While the new excise tax is currently focused on private institutions, we strongly oppose this new excise tax and the precedent it sets for all of higher education.

All of the specific objections listed in our letter to Ways and Means remain in force and are listed below in the order in which they appear in the legislation:

- Sec. 1002: Changes to the standardized deduction, which will reduce charitable contributions to our institutions;
- Sec. 1002: Repeal of Lifetime Learning Credit, while not substantially increasing the American Opportunity Tax Credit (AOTC);
- Sec. 1204: Repeal of the Student Loan Interest Deduction (SLID);
- Sec. 117(d): Repeal of the qualified tuition reduction;
- Sec. 127: Repeal of educational assistance programs;

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- Sec. 1303: Changes to the state and local tax (SALT) deduction, which will reduce state budgets and, in turn, funding for public higher education;
- Sec. 3601: Termination of private activity bonds;
- Sec. 3602 Repeal of advance refunding bonds; and,
- Sec. 5103: Creation of a new excise tax on endowments at private colleges and universities.

For all the reasons listed above and detailed in our Nov. 6 letter to Ways and Means, we strongly oppose these provisions. We urge Congress to enact tax reform that would not have such damaging effects on students and their families, and colleges and universities.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Mitchell". The signature is stylized with a large "T" and a cursive "M".

Ted Mitchell
President