

Congress of the United States
Washington, DC 20515

December 13, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, D.C. 20515

The Honorable Kevin McCarthy
Majority Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, D.C. 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Majority Leader McCarthy and Minority Leader Pelosi,

We write today to express our strong opposition to a provision in the tax reform measure currently being considered by the United States Congress. The proposed 1.4% tax on many private college and university endowments is unprecedented and poses a serious threat to higher education institutions and their ability to provide need-based financial aid to their students. Placing this financial burden on colleges and universities is bad policy for a number of reasons.

First, this tax wrongly equates endowments to private foundations. Private foundations support charitable activities by granting funds to unrelated organizations. Colleges and universities, on the other hand, all share a primary focus – providing educational opportunities for their students on their own campuses. To consider these institutions similar to private foundations, which vary in both purpose and charitable goals, is not accurate.

Next, the proposal to subject only certain private colleges and universities to this tax is just the beginning. It is inevitable that the tax will be increased and applied to more colleges and universities in the future. The tax could be expanded to public institutions as well, all to raise revenue for the federal government at great cost to higher education institutions.

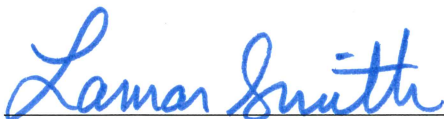
This measure also jeopardizes the financial aid of current and future college students. Colleges and universities use endowments to provide students with financial assistance. Taxing endowments would reduce funds available for financial aid, drive up tuition costs, and jeopardize the future of private colleges and universities. How do the American people benefit from that?

Additionally, the proposed endowment tax provision in the Senate tax bill is expected to generate less than \$2 billion in revenue over the next ten years, according to the Joint Committee on Taxation. The tax reform bill as a whole is expected to cost \$1.5 trillion over the same period. So taxing endowments would raise less than two-tenths of one percent of the revenue needed for this tax bill.

Finally, the Senate tax bill would levy a tax on less than 35 colleges and universities, down from over 150 that would have been impacted under the initial House proposal. Congress would penalize a select few institutions that are in fact known for their generous awards of need-based financial aid that come from their endowments.

We strongly urge you to remove the tax on college and university endowments. If this is not possible, we request that you provide a credit for the financial aid given by the colleges and universities still impacted by this tax. We thank you in advance for your consideration of these requests so that students and higher education institutions are not harmed by the current tax reform proposal.

Sincerely,



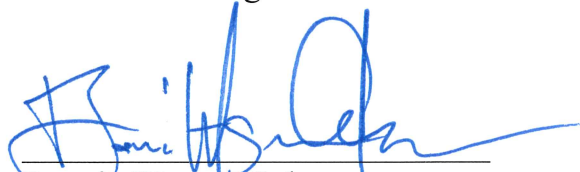
Lamar Smith
Member of Congress



Leonard Lance
Member of Congress



Chuck Fleischmann
Member of Congress



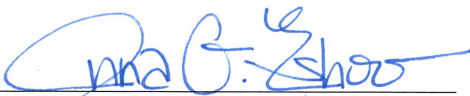
Bonnie Watson Coleman
Member of Congress



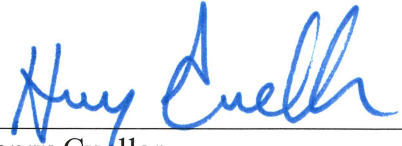
Rod Blum
Member of Congress



John Culberson
Member of Congress



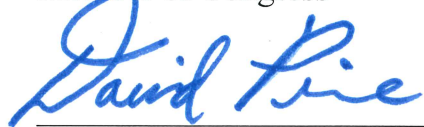
Anna G. Eshoo
Member of Congress



Henry Cuellar
Member of Congress



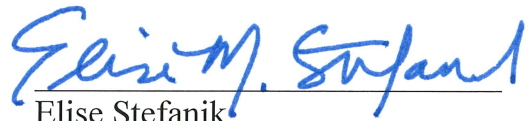
Debbie Dingell
Member of Congress



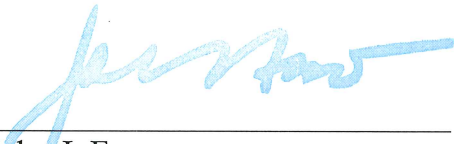
David Price
Member of Congress



Tom Cole
Member of Congress



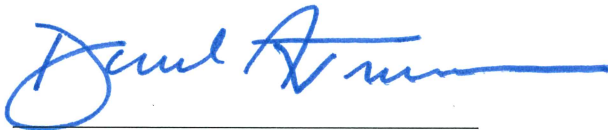
Elise Stefanik
Member of Congress



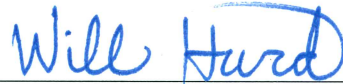
John J. Faso
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Peter T. King
Member of Congress



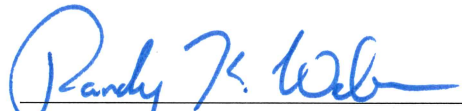
Dave Trott
Member of Congress



Will Hurd
Member of Congress



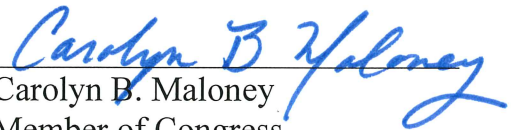
Bradley Byrne
Member of Congress



Randy K. Weber
Member of Congress




André Carson
Member of Congress



Carolyn B. Maloney
Member of Congress



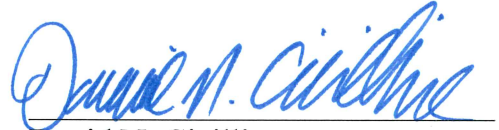
Vicente Gonzalez
Member of Congress



Kay Granger
Member of Congress



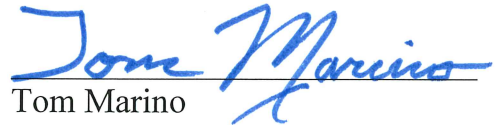
Pete Sessions
Member of Congress



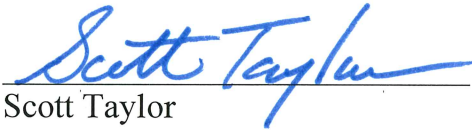
David N. Cicilline
Member of Congress



Brendan F. Boyle
Member of Congress



Tom Marino
Member of Congress



Scott Taylor
Member of Congress

Cc: Senator Orrin Hatch
Cc: Senator Mike Enzi
Cc: Senator Lisa Murkowski
Cc: Senator John Cornyn
Cc: Senator John Thune
Cc: Senator Rob Portman
Cc: Senator Tim Scott
Cc: Senator Pat Toomey
Cc: Senator Ron Wyden
Cc: Senator Bernie Sanders
Cc: Senator Patty Murray
Cc: Senator Maria Cantwell
Cc: Senator Debbie Stabenow
Cc: Senator Robert Menendez
Cc: Senator Tom Carper

Cc: Representative Kevin Brady
Cc: Representative Devin Nunes
Cc: Representative Peter Roskam
Cc: Representative Diane Black
Cc: Representative Kristi Noem
Cc: Representative Rob Bishop
Cc: Representative Don Young
Cc: Representative Greg Walden
Cc: Representative John Shimkus
Cc: Representative Richard Neal
Cc: Representative Sander Levin
Cc: Representative Lloyd Doggett
Cc: Representative Raul Grijalva
Cc: Representative Kathy Castor