

Congress of the United States
Washington, DC 20515

12/11/2017

The Honorable Mitch McConnell
Senate Majority Leader
317 Russell Senate Office Building
Washington, DC 20510

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

The Honorable Charles Schumer
Senate Democratic Leader
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
House Democratic Leader
H-204, U.S. Capitol
Washington, DC 20515

The Honorable Orrin Hatch
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Kevin Brady
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Ron Wyden
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard Neal
Ranking Member
House Committee on Ways and Means
1139E Longworth House Office Building
Washington, DC 20515

Dear Leader McConnell, Speaker Ryan, Leader Schumer, Leader Pelosi, Chairman Hatch, Chairman Brady, Ranking Member Wyden, and Ranking Member Neal:

We the undersigned write to express our grave concern with a provision in H.R. 1, the Tax Cuts and Jobs Act, that would result in a significant tax increase on graduate students. The House bill would eliminate the exclusion of “qualified tuition reductions” from taxable income. The effect would be to tax the value of tuition waivers that graduate students receive in exchange for serving as teaching or research assistants during their course of study. Tuition waivers are money that students never see, and by including it in their taxable income, some could see their tax bills double or worse.^{1,2} For example, the University of Illinois estimates that its graduate students receiving tuition waivers would see their taxable income increase by \$19,000 on average.³ With 55% of graduate students nationwide earning an adjusted gross income of \$20,000 or less, and 87%

¹<https://yaledailynews.com/blog/2017/11/09/house-plan-could-triple-grad-student-taxes/>

²<http://money.cnn.com/2017/11/15/pf/college/tax-reform-paying-for-college/index.html>

³https://www.ogr.uillinois.edu/UserFiles/Servers/Server_87846/File/FederalRelations/Univ.%20of%20Illinois%20and%20H.R.%201%20FINAL.pdf

earning \$50,000 or less, they cannot afford a major increase in their tax burden.⁴ In the words of one student, “that would push us to the poverty line.”⁵

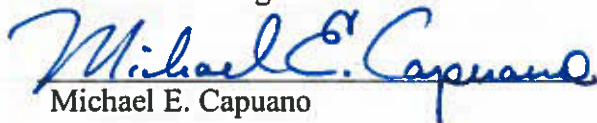
As you know, the United States is one of the most innovative countries in the world, thanks in no small part to our top-notch graduate education system. American graduate students go on to become top scientists, engineers, researchers, and leaders, and they generate many of the innovations that drive our economy. If this provision becomes law, the effect will be to make graduate school unaffordable for thousands of students, with dire consequences for our knowledge-driven economy.

We hold a variety of different views on this tax reform legislation, but we all agree that limiting access to graduate education is not the way to grow the economy and create jobs. We urge you to remove the provision taxing graduate school tuition waivers from the final version of the Tax Cuts and Jobs Act.


Sincerely,


Daniel W. Lipinski
Member of Congress

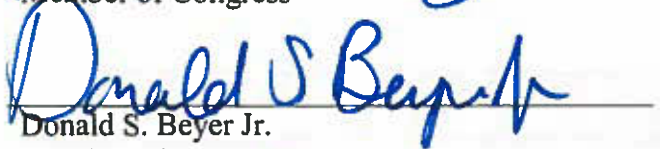

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Member of Congress



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Member of Congress


Jacky Rosen
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Jerry McNerney
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Stephanie Murphy
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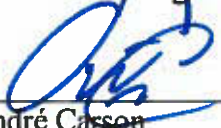

Salud O. Carbajal
Member of Congress

⁴<https://www.aau.edu/sites/default/files/AAU-Files/Key-Issues/Taxation-Finance/Aid-Students-Families/Qualified-Tuition-Reduction-117d.pdf>


⁵<https://www.insidehighered.com/news/2017/11/07/grad-students-and-policy-experts-say-taxing-graduate-students-tuition-waivers-would>



Colleen Hanabusa
Member of Congress



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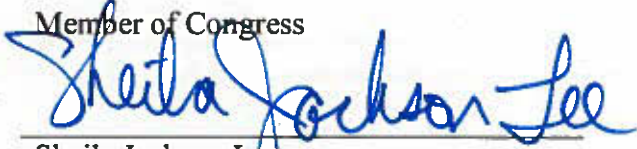
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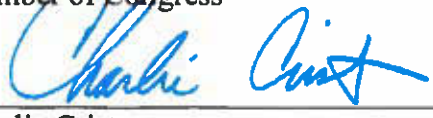
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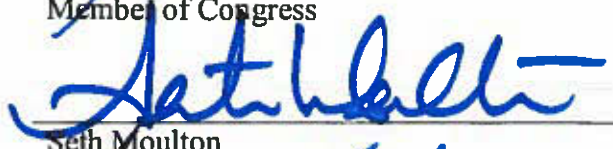
Charlie Crist
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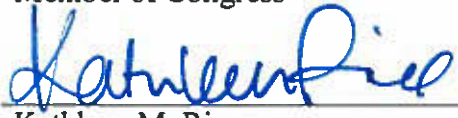
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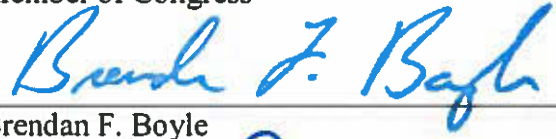
Brenda Lawrence
Member of Congress



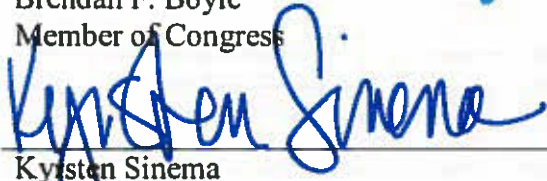
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Member of Congress



Kathleen M. Rice
Member of Congress



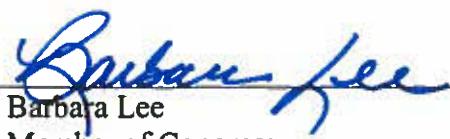
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