

**Graduate Student Congress**

Associated Student Government

University of Arkansas

*GSC RESOLUTION 5 2017*

**A RESOLUTION IN OPPOSITION TO   
THE ELIMINATION OF EDUCATIONAL TAX INCENTIVES**

Author(s): GSC Vice Speaker Josh Burbridge

Sponsor(s):

**WHEREAS**,On November 2nd, 2017, Congressman Kevin Brady of Texas introduced the Tax Cuts and Jobs Act of 2017 (H.R. 1) in the U.S. House of Representatives;

**WHEREAS**, Among the changes to 26 U.S.C., also known as the Internal Revenue Code, there are many provisions that would adversely affect higher education;

**WHEREAS**, H.R. 1 eliminates the Lifetime Learning and Hope tax credits;

**WHEREAS**, H.R. 1 extends the eligibility period of the American Opportunity tax credit from four years to five, but the size of the credit in the fifth year is reduced by half;

**WHEREAS**, H.R. 1 prohibits contributions to Coverdell Education Savings Accounts after December 31st, 2017;

**WHEREAS**, H.R. 1 would impose an excise tax of 1.4% on the net investment income of private universities with more than 500 students and assets exceeding $100,000 per student;

**WHEREAS**, H.R. 1 eliminates 26 U.S.C. § 117(d), which excludes from gross income graduate assistant tuition waivers granted by universities;

**WHEREAS**, According the National Center for Education Statistics, the average graduate student pays approximately $18,000 in tuition and required fees annually, which is greater than the approximately $6000 increase in the standard deduction prescribed by H.R. 1;

**WHEREAS**, H.R. 1 eliminates 26 U.S.C. § 127, which excludes from gross income educational assistance payments from employers;

**WHEREAS**, H.R. 1 eliminates 26 U.S.C. § 135, which excludes from gross income the interest on any U.S. savings bond redeemed to pay for higher education expenses;

**WHEREAS**, H.R. 1 eliminates 26 U.S.C. § 221, which providers taxpayers a deduction of up to $2500 on interest payments toward qualified education loans;

**WHEREAS**, H.R. 1 eliminates 26 U.S.C. § 222, which providers taxpayers an income-based deduction of up to $4000 on qualified tuition and related expenses;

**WHEREAS**, According to the Joint Committee on Taxation, these measures will increase federal revenue by approximately $47.5 billion over the next ten years, which is approximately 2.8% of the $1.7 trillion in expected revenue loss H.R. 1 would create over the same time period;

**WHEREAS**, If passed in time, the tax reforms in H.R. 1 shall apply to taxable years beginning after December 31st, 2017;

**WHEREAS**, These proposals would significantly increase the tax burdens of all college students and the universities they attend, potentially pricing many lower and middle class families out of higher education; and

**WHEREAS**, The elimination of 26 U.S.C. § 117(d) would create unique hardship for graduate students by increasing their tax liability by thousands of dollars, which would force many students to abandon their research and drop out of school;

**THEREFORE, BE IT RESOLVED**,that the Graduate Student Congress (GSC) of the University of Arkansas strongly condemns all of the edicts enumerated in the preceding clauses;

**BE IT FURTHER RESOLVED**, that GSC explicitly asks its congressional delegation not to support any tax reform bill that includes any of these measures; and

**BE IT FURTHER RESOLVED**, that a copy of this resolution be sent to the following people: U.S. Senator John Boozman, U.S. Senator Tom Cotton, and U.S. Representative Steve Womack.