

November 29, 2017

The Honorable Mitch McConnell  
Senate Majority Leader  
United States Senate  
Room S-230, The Capitol  
Washington, DC 20510

The Honorable Charles E. Schumer  
Senate Minority Leader  
United States Senate  
Room S-221, The Capitol  
Washington, DC 20510

**Re: Higher Education Provisions in the Senate Version of H.R. 1, the *Tax Cuts and Jobs Act***

Dear Majority Leader McConnell and Minority Leader Schumer:

The American Council on Education and nearly 50 other higher education associations wrote to the Senate Committee on Finance Nov. 14 to express serious concerns with the Senate version of 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 the Finance Committee and is slated for a Senate floor vote, and the Nov. 14 letter is attached.

We are pleased that the Senate bill retains the student benefits the House tax bill eliminates, and we urge the Senate to retain these provisions during a future conference with the House. However, we are deeply concerned about provisions in the Senate bill that would negatively impact students and undermine institutions by reducing charitable giving, creating an unprecedented tax on certain private colleges and universities, increasing costs and regulatory burden on many colleges and universities, prohibiting colleges and universities from refinancing bonds for capital projects at lower interest rates, and threatening state investment in higher education.

Therefore, I write today to express our continued strong opposition to the provisions in the Senate bill that will make college more expensive and erode the financial stability of public and private, two-year and four-year colleges and universities. It is possible to offer tax relief to hardworking 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 the Senate version of H.R. 1 as presently drafted.

Our main objections to the bill are listed below, in the order in which they appear in the legislation (not our prioritization):

- Changes to the standardized deduction, which will reduce charitable contributions to our institutions;
- Repeal of the deduction for personal exemptions, including college-age dependents;
- Repeal of state and local tax (SALT) deduction;
- Repeal of advance refunding bonds;
- Creation of a new excise tax on endowments at certain private colleges and universities; and
- Changes to Unrelated Business Income Tax (UBIT).

For all the reasons listed above and detailed in our Nov. 14 letter to the Finance Committee, we strongly oppose these provisions. We urge Congress to enact tax reform that would not have such damaging effects on students

Letter concerning Senate Tax Reform bill

November 29, 2017

Page 2

and their families, and colleges and universities. Also attached is a letter detailing our concern with the House bill's repeal of the important education benefits.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Mitchell". The signature is written in a cursive, slightly slanted style.

Ted Mitchell, President