



MEMORANDUM

To: Deans, Chairs, Graduate Program Directors, and Graduate Enrollment Management Committee Members

From: Dr. Mark Riley, Interim Dean of The Graduate School

Date: December 16, 2017

Subject: Tax Reform Bill Latest News

I have received an update from Jonathan Nurse, the Director of Federal Relations in Washington for the Office of the Vice President for Research at FSU, on the tax reform bill situation which I am sure you will be very interested to hear about.

He informs me that the "final tax bill reflects our best case scenario with the harmful student provisions taken out along with some of the institutional problems".

He also included a memo written by Peter McPherson, the President of the Association of Public and Land Grant Universities, which was sent to the Council of Presidents last night and contains a few details of the present state of the bill regarding higher education. In Peter's letter he states:

As you will see below, there are a number of advocacy victories for the higher education community in the tax bill agreement.

Your level of engagement on the tax bill, coupled with that of students and others in your university communities was truly impressive and ultimately effective. Without such effort, we clearly would not have made the kind of progress we did on our priorities.

The above is very good news but is of course not completely set in stone yet. However, this is a much much better place than where we were a few weeks ago. Jonathan will continue to send me updates as the bill heads into the final vote and I will continue to pass these along to you all. I encourage you to pass this information along to all of your/our amazing students.

Very best regards and Happy Holidays!

Mark



To: Council of Presidents

Cc: Council on Academic Affairs
Council on Business Affairs
Council on Governmental Affairs

From: Peter McPherson, APLU President

Date: December 15, 2017

Re: Tax Bill Conference Agreement

Earlier this evening, House and Senate Republican leadership released a new version of the [Tax Cuts and Jobs Act](#) and a [Joint Explanatory Statement](#), which represents the compromise agreement between Republicans in the two chambers of Congress. At this time, it is looking very likely Republicans will meet their goal of having the bill to the president's desk by December 25. As you will see below, there are a number of advocacy victories for the higher education community in the tax bill agreement.

Your level of engagement on the tax bill, coupled with that of students and others in your university communities was truly impressive and ultimately effective. Without such effort, we clearly would not have made the kind of progress we did on our priorities.

While additional study is needed on the wide array of issues that will directly and indirectly impact public universities, I wanted to update you quickly on the scope of issues we have all been working so hard on.

- The tax exclusion for graduate student tuition waivers is preserved. [Section 117(d)(5)]
- The tax exclusion for tuition waivers of university employees and dependents is preserved. [Section 117(d)]
- Employer-provided tuition assistance is preserved. [Section 127]
- Student Loan Interest Deduction is preserved.
- Private Activity Bonds are preserved.
- The Lifetime Learning Credit is preserved.
- Advance Refunding Bonds are unfortunately eliminated.
- The provisions requiring separate computation of unrelated business income tax (UBIT) for each activity is unfortunately in the bill.
- The provision to subject revenue from licensing a nonprofit's name or logo to UBIT was removed on the Senate floor and remains out of the bill.

Experts will need to review the language in the bill related to the excise tax on highly-compensated employees of non-profits. There is new language that could help exempt some medical professionals (pages 347-349 of the Joint Explanatory Statement).

I [released a statement](#) this evening to express appreciation to the members of Congress who pushed to protect provisions critical to students and public universities while noting we remain greatly concerned about some impacts of the bill including to charitable giving.

Thank you for all your efforts and those of your government relations officers; you really made the difference on this legislation. This is the level of commitment and involvement the higher education community will need to sustain as we take on other challenges such as reauthorization of the Higher Education Act. As always, please do not hesitate to let me or [Craig Lindwarm](#) of APLU staff know if you have any questions.