

All,

Here's a quick summary:

- Preserves current law for students and families regarding the:
 - AOTC and LLC
 - Student Loan Interest Deduction
 - Sec. 117 (d) and 117 (d)(5) – tuition waivers
 - Sec. 127 – employer provided educational assistance
- Bonds
 - Repeals Advance Refunding Bonds
 - Preserves Private Activity Bonds
- Excise tax on excess tax-exempt organization executive compensation
 - The conference agreement follows the Senate amendment with modifications. Under the conference agreement, the tax rate is equal to corporate tax rate, which is 21 percent under the conference agreement. In addition, for purposes of the requirement to treat remuneration as paid when the rights to the remuneration are no longer subject to a substantial risk of forfeiture, the conference agreement clarifies that “substantial risk of forfeiture” is based on the definition, even if it is not yet received.

The conference agreement exempts compensation paid to employees who are not highly compensated employees (within the meaning of section 414(q)) from the definition of parachute payment, and also exempts compensation attributable to medical services of certain qualified medical professionals from the definitions of remuneration and parachute payment. For purposes of determining a covered employee, remuneration paid to a licensed medical professional which is directly related to the performance of medical or veterinary services by such professional is not taken into account, whereas remuneration paid to such a professional in any other capacity is taken into account. A medical professional for this purpose includes a doctor, nurse, or veterinarian.

- Endowment Excise tax:
 - The conference agreement follows the Senate amendment with the following modification. The provision modifies the definition of "applicable educational institution" to include only institutions more than 50 percent of the tuition paying students of which are located in the United States. For this purpose, the number of students at a location is based on the daily average number of full-time students attending the institution, with part-time students being taken into account on a full-time student equivalent basis. It is intended that the Secretary promulgate regulations to carry out the intent of the provision, including regulations

that describe: (1) assets that are used directly in carrying out the educational institution's exempt purpose; (2) the computation of net investment income; and (3) assets that are intended or available for the use or benefit of the educational institution.

- Denial of deduction for amounts paid in exchange for college athletic seating rights
 - The proposal amends section 170(l) to provide that no charitable deduction shall be allowed for any amount described in paragraph 170(l)(2), generally, a payment to an institution of higher education in exchange for which the payor receives the right to purchase tickets or seating at an athletic event, as described in greater detail above.

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