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| To:       Council of PresidentsCc:       Council on Academic Affairs            Council on Business Affairs            Council on Governmental AffairsFrom:   Peter McPherson, APLU PresidentDate:    December 15, 2017Re:       Tax Bill Conference AgreementEarlier this evening, House and Senate Republican leadership released a new version of the [Tax Cuts and Jobs Act](http://elink.clickdimensions.com/c/4/?T=NDMwODc5MzU%3AMDItYjE3MzQ5LTRjZDA1NjVmZTBkMTQ1Yjc4NWU1NzY5MWYwMTc2MDg1%3Aam51cnNlQGZzdS5lZHU%3AY29udGFjdC1iMTkzNjNhMDY4ODdlNzExODExM2ZjMTViNDI4NmMwMC0zM2Y1NmVjNDM3NjI0ZDVlOGFjMzFhYjYxNTMyYzg1YQ%3AdHJ1ZQ%3AMA%3A%3AaHR0cDovL2RvY3MuaG91c2UuZ292L2JpbGxzdGhpc3dlZWsvMjAxNzEyMTgvQ1JQVC0xMTVIUlBULTQ2Ni5wZGY_X2NsZGVlPWFtNTFjbk5sUUdaemRTNWxaSFUlM2QmcmVjaXBpZW50aWQ9Y29udGFjdC1iMTkzNjNhMDY4ODdlNzExODExM2ZjMTViNDI4NmMwMC0zM2Y1NmVjNDM3NjI0ZDVlOGFjMzFhYjYxNTMyYzg1YSZlc2lkPTJkNmMxY2I1LWZmZTEtZTcxMS04MTFjLWM0MzQ2YmFjM2ZhNA&K=sJD_nIBb9fc3OGm1UDWOPw) and a [Joint Explanatory Statement](http://elink.clickdimensions.com/c/4/?T=NDMwODc5MzU%3AMDItYjE3MzQ5LTRjZDA1NjVmZTBkMTQ1Yjc4NWU1NzY5MWYwMTc2MDg1%3Aam51cnNlQGZzdS5lZHU%3AY29udGFjdC1iMTkzNjNhMDY4ODdlNzExODExM2ZjMTViNDI4NmMwMC0zM2Y1NmVjNDM3NjI0ZDVlOGFjMzFhYjYxNTMyYzg1YQ%3AdHJ1ZQ%3AMQ%3A%3AaHR0cDovL2RvY3MuaG91c2UuZ292L2JpbGxzdGhpc3dlZWsvMjAxNzEyMTgvSm9pbnQgRXhwbGFuYXRvcnkgU3RhdGVtZW50LnBkZj9fY2xkZWU9YW01MWNuTmxRR1p6ZFM1bFpIVSUzZCZyZWNpcGllbnRpZD1jb250YWN0LWIxOTM2M2EwNjg4N2U3MTE4MTEzZmMxNWI0Mjg2YzAwLTMzZjU2ZWM0Mzc2MjRkNWU4YWMzMWFiNjE1MzJjODVhJmVzaWQ9MmQ2YzFjYjUtZmZlMS1lNzExLTgxMWMtYzQzNDZiYWMzZmE0&K=w2PixQxyiVceL9qSkb6MUw), 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](http://elink.clickdimensions.com/c/4/?T=NDMwODc5MzU%3AMDItYjE3MzQ5LTRjZDA1NjVmZTBkMTQ1Yjc4NWU1NzY5MWYwMTc2MDg1%3Aam51cnNlQGZzdS5lZHU%3AY29udGFjdC1iMTkzNjNhMDY4ODdlNzExODExM2ZjMTViNDI4NmMwMC0zM2Y1NmVjNDM3NjI0ZDVlOGFjMzFhYjYxNTMyYzg1YQ%3AdHJ1ZQ%3AMg%3A%3AaHR0cDovL3d3dy5hcGx1Lm9yZy9uZXdzLWFuZC1tZWRpYS9OZXdzL2FwbHUtc3RhdGVtZW50LW9uLXRheC1iaWxsLWNvbmZlcmVuY2UtcmVwb3J0P19jbGRlZT1hbTUxY25ObFFHWnpkUzVsWkhVJTNkJnJlY2lwaWVudGlkPWNvbnRhY3QtYjE5MzYzYTA2ODg3ZTcxMTgxMTNmYzE1YjQyODZjMDAtMzNmNTZlYzQzNzYyNGQ1ZThhYzMxYWI2MTUzMmM4NWEmZXNpZD0yZDZjMWNiNS1mZmUxLWU3MTEtODExYy1jNDM0NmJhYzNmYTQ&K=f7mlxh4SCr0XEiqKYry6Sw) 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. |

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