



# NATIONAL ASSOCIATION OF GRADUATE-PROFESSIONAL STUDENTS

Tuesday, November 7, 2017

## FOR IMMEDIATE RELEASE

Organization: [National Association of Graduate-Professional Students](http://NationalAssociationofGraduate-ProfessionalStudents.org)  
Contact: Samantha Hernandez, (361) 215-7609, [legislative@nagps.org](mailto:legislative@nagps.org)  
Surya D. Aggarwal, (412) 951-9423, [advocacy@nagps.org](mailto:advocacy@nagps.org)

### An "F" for Tax Cuts and Jobs Acts

On Thursday, November 2, 2017, the House Ways and Means Committee Chairman Kevin Brady introduced the new tax reform bill - the Tax Cuts and Jobs Act. The Tax Cuts and Jobs Act has many provisions that adversely impact the higher education community. The provisions not only negatively affect universities, but also graduate students directly. Most important of these provisions is Sec. 1204 of The Tax Cuts and Jobs Act, which repeals various provisions of the Tax Reform Bill of 2014, including Qualified Tuitions Reductions (Sec. 117(d)), Employer-Provided Education Assistance (Sec. 127), Interest Payments on Qualified Education Loans, and Tuition and Related Expenses, and Interest on United States Savings Bonds. Other provisions that have been negatively altered include the tax credits lines of AOTC, the Hope Scholarship and the Lifelong Learning Credit, which have all been combined and reduced.

Currently, the Sec. 117(d) allows institutions to provide tax-free undergraduate-level tuition waiver or reimbursements to employees, spouses and dependants. It also allows tax-free tuition of individuals employed as graduate-level teaching and research assistants. The proposed tax policy would lead to the elimination of tax-free nature of tuition remissions. Given the average stipend of a graduate or professional student, the proposed policy will lead to a situation where students can barely survive on their stipends. This will also make it difficult for universities to recruit graduate-professional students. Ultimately, this hinders the progress of research and innovation at these institutes of higher learning.

Sec. 127 allows an employee to exclude from income up to \$5,250 per year in assistance for any type of educational course work at the undergraduate and graduate level. Repealing of this provision will limit the educational and professional growth of current employees that makes them competitive in this global economy.

The impact of the Tax Cuts and Jobs Act will be felt by universities and graduate students on many levels. From taxing of university endowments to the increase of taxable income but not livable wages, a tumultuous and uncertain time is imminent for the graduate student community if this bill is passed. This would disrupt the higher education model making graduate school an unachievable dream for most.

As a response, Graduate-Professional students from all over the country are taking to the social media using #ReworkTheReform to oppose the provisions of the bill that are detrimental for higher education. NAGPS is also organizing a national Call Congress Day on Wednesday, November 8 where students will be calling their elected officials to highlight how the bill impacts current graduate and professional students lives as well as the long term effects that this bill will have on higher education as a whole.

#####

*[NAGPS](http://NAGPS.org) is a national non-profit composed of graduate and professional student governments across the US that represents over 144,000 graduate and professional students at a diverse group of member institutions.*