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## House passes legislation repealing tax exemptions of tuition waivers for graduate assistants

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On November 16, the House of Representatives passed H.R.1, the Tax Cuts and Jobs Act, introduced by Representative Kevin Brady (R-TX-8). Generally, the bill restructures the tax code with fewer tax brackets and repeals or modifies a number of provisions. The House bill would repeal Sec. 117(d)(5) of the U.S. Internal Revenue Code, which allows for the tax exemption of tuition waivers for graduate students serving as teaching and research assistants. If the provision was to become law, student taxable income would include both the graduate assistant stipend and the value of the tuition waiver.

Since the introduction of H.R.1, many articles and op-eds have outlined the potential increased tax burden this could create for graduate assistants. Accordingly, on November 15, the American Association for the Advancement of Science (AAAS), the American Geosciences Institute (AGI), and dozens of other professional science organizations sent a letter to Speaker of the House Paul Ryan (R-WI-1) and House Minority Leader Nancy Pelosi (D-CA-12), urging them to preserve critical graduate student tax benefit provisions. The American Council on Education (ACE) reports that close to 145,000 graduate students received a tuition reduction in 2011-2012, and warns that the potential tuition cost increase to students would discourage participation in postsecondary education and undermine the financial stability of public and private institutions.

On November 17, the Senate Committee on Finance passed the Senate version of the tax reform bill, also known as the Tax Cuts and Jobs Act, which preserves Sec. 117(d)(5). If the full Senate passes its tax bill, the two chambers would convene a formal conference to resolve any differences and agree a final bill as amended.

*Sources: American Association for the Advancement of Science, American Council on Education, Cornell Law School, Library of Congress, U.S. Senate Committee on Finance*

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