The 26th Congress of Graduate Students

Resolution 2

Sponsored by the Academics & Student Life Committee

Opposition to Taxation of Graduate Student Tuition Waivers and Remissions

WHEREAS: The Congress of Graduate Students (COGS) is the official representative body of graduate students at Florida State University. As the body representing graduate students, COGS represents 8,978 (as of fall 2016) graduate, law, and medical student interests to the university and community, and is empowered to issue resolutions expressing the views of graduate students and calling attention to important issues.

WHEREAS: On Thursday, November 2, 2017, the House Ways and Means Committee Chairman Kevin Brady introduced a tax reform bill, House Resolution 1, the Tax Cuts and Jobs Act. The Tax Cuts and Jobs Act has many provisions that adversely impact graduate students. The most important of these provisions is Sec. 1204 of The Tax Cuts and Jobs Act, which repeals various provisions of the Tax Code, including Qualified Tuitions Reductions (Sec. 117(d)), Employer-Provided Educational Assistance (Sec. 127), Interest Payments on Qualified Education Loans, Tuition and Related Expenses, and Interest on United States Savings Bonds. Other provisions that have been negatively altered include the tax credits lines of American Opportunities Tax Credit (AOTC), and the HOPE Scholarship and the Lifelong Learning Credit, which have all been combined and reduced.

WHEREAS: On Thursday, November 9, 2017, Representative Lloyd Doggett (D- TX35) introduced an amendment to strike out Sec. 1204 from the text of the bill. The amendment also included other provisions, one of which was a proposal to expand AOTC to a lifetime limit of $15,000. Unfortunately, the amendment was voted down 16-24. COGS strongly condemns the decision of members of the House Ways and Means Committee who voted against the amendment.

WHEREAS: On Thursday, November 9, 2017, the Senate Finance Committee also released the text of the Committee Chairman’s markup of The Tax Cuts and Jobs Act. The Senate version of the bill appears to preserve the various provisions of the tax code that the House Ways & Means committee has proposed to repeal. COGS applauds the efforts of the Senate Finance
Committee to continue to make higher education, in particular graduate education, accessible to all.

WHEREAS: On Thursday, November 16, 2017, the House passed legislation to overhaul the tax code; the measure was approved by a vote of 227-205.

WHEREAS: On December 2nd, the Senate passed an amended version of House Resolution 1; the measure was approved by a vote of 51-49.

WHEREAS: As per congressional procedure, House Resolution 1 will go to a conference committee for reconciliation between the two bills.

THEREFORE, BE IT RESOLVED: That graduate students from diverse economic and demographic backgrounds should have access to high quality, and affordable graduate education. COGS recommends the following principles to the Congressional Conference Committee regarding Federal education tax policy:

1. Maintain provisions for graduate students to use education tax credits for qualified expenses related to tuition and fees.
2. Maintain or extend the Student Loan Interest Deduction (SLID) for interest paid on student loans, and for qualified tuition and related expenses.
   a. Subsidized federal student loans are no longer available to graduate students. They either pay the interest on their loans immediately, or allow the interest to accrue which only increases their debt.
   b. Graduate students pay higher interest rates for their loans. Removing the ability to deduct their interest payment and qualified tuition, and related expenses only increases their debt.
   c. Maintain or extend (SLID) with income based repayment strategies that extend repayment periods for graduate students. The elimination of SLID only adds to their debt.
3. Retain section 117(d) in the tax code which excludes tuition waivers and remissions from overall tax burden.
   a. About one out of four students (24.4%) pursuing doctoral degrees in the Academic Year 2011-12 received institutional tuition and fee waivers; the average amount being $12,645.90. In addition, 6.2% of Master's degree seeking students also received institutional tuition and fee waivers; the average amount being $6,510.80 in the Academic Year 2011-12.
   b. Repealing this provision would drastically increase graduate students' tax liability on "income" they never see. Per the Council of Graduate Schools' estimates, at a public institution such as Florida State University, a doctoral degree student with a $14,500 stipend and a $9,500 tuition waiver will see their income tax rise from $847.50 to $2,272.50, or a 168% increase; while a master's degree student with a $7,000 stipend and a $6,500 tuition waiver will have to foot a bill increased by 618%, paying $755 instead of $105.
   c. Stipends or salaries earned for teaching assistantships or research assistantships would remain unaffected by the proposal.
4. Expand what constitutes employer provided tax-exempt educational assistance under the Internal Revenue Code Section 127 to include student loan repayment assistance.
5. Provide tax credit incentives for low- and moderate-income individuals to contribute to 529 education savings accounts, and allow for employer tax credits to match these contributions.

BE IT FURTHER RESOLVED THAT: Copies of this resolution be sent to:

Edward E. "Ed" Burr, Chair of Florida State University Board of Trustees
John E. Thrasher, President of Florida State University
Sally E. McRorie, Provost
Amy Hecht, Vice President for Student Affairs
Mark Riley, Interim Dean of the Graduate School
Renisha Gibbs, Assistant Vice President for Human Resources/Finance and Administration
Chief of Staff
Kyle J. Hill, Student Body President of Student Government Association
Cynthia Green, Director Center for Global Engagement
Laura Osteen, Director Center for Leadership and Social Change
Todd Adams, President of the Faculty Senate

U.S. Senators for Florida:
    Rubio, Marco
    Nelson, Bill

U.S. Representatives for Florida:
    Gaetz, Matt
    Dunn, Neal
    Yoho, Ted
    Rutherford, John
    Lawson, Al
    DeSantis, Ron
    Murphy, Stephanie
    Posey, Bill
    Soto, Darren
    Demings, Val
    Webster, Daniel
    Bilirakis, Gus M.
    Crist, Charlie
    Castor, Kathy
    Ross, Dennis
    Buchanan, Vern
    Rooney, Tom
    Mast, Brian
    Rooney, Francis
    Hastings, Alcee L.
    Frankel, Lois
    Deutch, Ted
    Wasserman Schultz, Debbie
    Wilson, Frederica
    Diaz-Balart, Mario
    Curbelo, Carlos
    Ros-Lehtinen, Ileana