



NATIONAL ASSOCIATION OF
GRADUATE-PROFESSIONAL
STUDENTS



November 6, 2017

Dear Chancellor Khosla,

As you may already be aware, the higher education community is expressly affected by the the proposed tax reform bill - Tax Cuts and Jobs Act. We, as representatives of the Graduate Student Association (GSA) at UCSD and as members of the National Association of Graduate-Professional Students (NAGPS), are writing to share our views and concerns with you about this proposed bill, and hope for your support in opposing the provisions that impact members of the higher education community. NAGPS is a non-profit, student run, preeminent organization for graduate-professional students across the US. Since its inception in 1987, NAGPS has represented the interest of graduate-professional students in public and private universities at local, state, regional and national levels.

The Tax Cuts and Jobs Act has many provisions that not only adversely impact universities, but graduate students specifically. These provisions are:

- Repealing of provisions from Tax Reform Bill of 2014:
 - Sec. 117(d)
 - Sec. 127
 - Student Loan Interest Deduction
 - The Hope Scholarship Credit & Lifetime Learning Credit
- Altering the American Opportunity Tax Credit to eliminate tax benefits for part-time students, graduate students and non-traditional students (taking more than five years to graduate)

Currently, the Sec. 117(d) allows institutions to provide tax-free undergraduate-level tuition waiver or reimbursements to employees, spouses and dependents. 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. Ultimately, we ask for your support for the continued improvement of the American higher education system that UCSD is a proud and robust member of. We ask that you keep graduate students in mind with your legislative and advocacy efforts and oppose these provisions.

With Warmest Regards,

Kimberly McCabe
VP External, UCSD Graduate Student Association