

June 19, 2019

The Honorable Richard Neal
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

RE: Extension of Tuition Deduction and Repeal of Parking Tax

Dear Chairman Neal and Ranking Member Brady:

On behalf of the American Council on Education and the undersigned higher education associations, I am writing in support of an extension of the above-the-line deduction for qualified tuition and related expenses (tuition deduction), included in H.R. 3301, the *Taxpayer Certainty and Disaster Tax Relief Act of 2019*, and repeal of the UBIT qualified transportation fringe benefit tax (parking tax), included in H.R. 3300, the *Economic Mobility Act of 2019*. Both of these bills are scheduled to be marked up Thursday by the Ways and Means Committee.

Expired at the end of 2017, the tuition deduction helps reduce the cost of college by allowing students or their parents to deduct up to \$4,000 in eligible higher education expenses from their taxable income. The tuition deduction is particularly important to graduate students, who are ineligible for the American Opportunity Tax Credit. Regrettably, its expiration last year means many students and families lost a valuable benefit that helps them finance a college education.

The *Tax Cuts and Jobs Act* unwisely included a provision imposing a 21-percent unrelated business income tax (UBIT) on the expenses that tax-exempt nonprofits, including colleges and universities, incur for providing transportation fringe benefits to their employees, such as parking and transit passes. This misguided tax should be repealed as it imposes significant new costs and administrative burdens on colleges and universities, which will harm students and families by driving up the cost of college.

We strongly support these provisions and urge Congress to act swiftly to retroactively extend the tuition deduction and to repeal the parking tax.

Sincerely,



Ted Mitchell
President

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On behalf of:

American Association of Community Colleges

American Association of State Colleges and Universities

American Council on Education

Association of American Universities

Association of Public and Land-grant Universities

National Association of Independent Colleges and Universities