December 12, 2017

The Honorable Kevin Brady
Chairman
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Brady:

The Federation of American Societies for Experimental Biology (FASEB) opposes the provision in the House version of The Tax Cuts and Jobs Act (HR 1) that would eliminate Section 117(d)(5) of the Internal Revenue Service (IRS) code. FASEB urges the conference committee to ensure that the final version of HR 1 does not include this harmful provision.

FASEB is composed of 31 scientific and professional member societies collectively representing over 130,000 biological and biomedical researchers. Our mission is to advance health and welfare by promoting progress and education in biological and biomedical sciences.

Repealing Section 117(d) (5) of the IRS code will increase tax liability for thousands of graduate students. Department of Education data indicates that approximately 145,000 graduate students received a tuition reduction from 2011-2012, including nearly 25 percent of those who pursued a PhD and six percent who sought a Master’s degree.

Taxing tuition waivers for graduate students will create a financial hardship for individuals who typically have modest incomes. More than half (55 percent) of all master’s and PhD candidates had adjusted gross incomes of $20,000 or less.

Providing tuition remission allows universities and colleges to reduce the cost of graduate education for students who teach or conduct research as part of their training. According to the Department of Education, 57 percent of tuition waivers were directed to graduate students in science, technology, engineering, and math programs.

Ensuring that the U.S. will be able to continue to attract and retain the most talented people in science careers is essential to creating a dynamic and thriving scientific enterprise and growing
our economy. Changes in the tax code that create financial hardships for students pursuing a graduate education threaten to erode the U.S.’s role as a world leader in research. Therefore, FASEB urges Congress to preserve the tax exemption for graduate student tuition waivers.

Sincerely,

[Signature]

Thomas O. Baldwin, PhD
FASEB President

cc: The Honorable Paul Ryan, Speaker
    The Honorable Nancy Pelosi, Democratic Leader
    The Honorable Mitch McConnell, Senate Majority Leader
    The Honorable Chuck Schumer, Senate Minority Leader
    The Honorable Devin Nunes
    The Honorable Peter Roskam
    The Honorable Diane Black
    The Honorable Kristi Noem
    The Honorable Rob Bishop
    The Honorable Don Young
    The Honorable Fred Upton
    The Honorable John Shimkus
    The Honorable Richard Neal
    The Honorable Sander Levin
    The Honorable Lloyd Doggett
    The Honorable Kathy Castor
    The Honorable Raul Grijalva
    The Honorable Orrin Hatch
    The Honorable Mike Enzi
    The Honorable Lisa Murkowski
    The Honorable John Cornyn
    The Honorable John Thune
    The Honorable Rob Portman
    The Honorable Tim Scott
    The Honorable Pat Toomey
    The Honorable Ron Wyden
    The Honorable Bernie Sanders
    The Honorable Patty Murray
    The Honorable Maria Cantwell
    The Honorable Debbie Stabenow
    The Honorable Bob Menendez
    The Honorable Tom Carper