



November 29, 2017

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
S-230 Capitol Building  
Washington, DC 20510

The Honorable Charles E. Schumer  
Democratic Leader  
United States Senate  
S-221 Capitol Building  
Washington, DC 20510

Dear Majority Leader McConnell and Democratic Leader Schumer:

On behalf of the American Association of Colleges of Nursing (AACN), we write to you regarding specific higher education provisions included in the House's version of H.R. 1, the Tax Cuts and Jobs Act. We commend the Senate for recognizing the value of tax credits that help ensure higher education remains affordable and accessible for millions of individuals. While the House sought to repeal or alter key tax credits for students and faculty (outlined below), they were not included in the Senate's version of H.R. 1. As the Senate takes up tax reform this week, we ask that the Senate continues to reject these four provisions in any floor debate or conference. AACN is the national voice for academic nursing, representing 810 schools of nursing that educate more than 497,000 students and employ over 19,000 full-time faculty. We believe that if these provisions are enacted, they would deter students and their families from pursuing higher education.

According to the Joint Tax Committee's estimates, the House-passed version of H.R. 1 would increase the cost of higher education by \$71 billion dollars.<sup>1</sup> Moreover, the burden of this cost would be shouldered by students. We believe this is a dangerous path for future growth and competition in the American workforce and economy, as individuals would be strapped with additional financial burden. This could be devastating, particularly for those struggling to rise out of lower socio-economic income levels. The following House provisions are of specific concern in the tax reform debate.

*Repealing the Lifetime Learning Credit and Amending the American Opportunity Tax Credit (AOTC) (Sec. 1002)*

H.R. 1 modestly expands AOTC to include a fifth year of support (though at a reduced level), but also at the expense of repealing the Lifetime Learning Credit. Students whose education extends beyond five years, such as part-time students, would be faced with a more limited option of tax credits for expenses related to their education. According to AACN survey data, there are over 191,000 part-time baccalaureate and graduate nursing students alone.<sup>2</sup> Utilizing these credits promotes their ability to complete their education and enter into the workforce.

**THE VOICE OF ACADEMIC NURSING**

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<sup>1</sup> Joint Tax Committee. (2017). Estimated Revenue Effects of H.R. 1, the "Tax Cuts and Jobs Act," Scheduled for Markup by the Committee on Ways and Means on November 6, 2017. Retrieved from: <https://waysandmeans.house.gov/wp-content/uploads/2017/11/20171106-JCT-Score-H.R.-1.pdf>.

<sup>2</sup> American Association of Colleges of Nursing. (2017). *2016-2017 Enrollment and Graduations in Baccalaureate and Graduate Programs in Nursing*. Washington, D.C.

*Repealing the Student Loan Interest Deduction (SLID) (Sec. 1204)*

Currently, individuals with an income of less than \$80,000 can deduct up to \$2,500 in paid student loan interest. Repealing this tax credit would increase the cost of education to students.

*Repealing the Employer-Provided Education Assistance (Sec. 127)*

Currently, employer-provided education assistance is excluded from taxable income up to \$5,250 per year, per employee. This assistance can be allocated towards expenses such as tuition, books, and educational fees. Repealing this tax credit would increase the cost of tuition to students and eliminate a useful tool for employers to attract strong candidates into the workforce.

*Repealing the Qualified Tuition Reductions (Sec. 117(d) and Sec. 117(d)(5))*

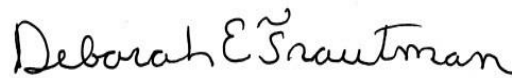
Section 117(d) allows institutions to provide tax-free undergraduate-level tuition waiver or reimbursements to employees, spouses, and dependents. Section 117(d)(5) provides tax-free tuition for graduate students employed by a higher education institution who teach or serve as a research assistant. With over 158,000 masters and doctoral nursing students,<sup>2</sup> this tax credit provides financial relief for many. Their ability to serve as faculty and researchers in nursing schools bolster's the academic pipeline, particularly as the nation faces a shortage of nursing faculty, and this credit helps prevent them from taking on additional student loan burden.

Again, we thank you for not including these harmful provisions in the Senate's version of H.R. 1, and urge that you remain firm in precluding them from any final tax reform package. AACN is committed to working in a bipartisan fashion to ensure that higher education remains affordable and accessible. If our association can be of assistance, please do not hesitate to contact our Director of Government Affairs, Lauren Inouye, at [Linouye@aacnursing.org](mailto:Linouye@aacnursing.org) or 202-463-6930, ext. 271.

Sincerely,



Juliann G. Sebastian, PhD, RN, FAAN  
AACN Board Chair



Deborah E. Trautman, PhD, RN, FAAN  
President and Chief Executive Officer