



The proposed **Tax Cuts and Jobs Act** will have a devastating impact on higher education institutions (including North Central College), their employees, students and families. The act includes a number of changes to the tax code that will significantly increase the cost of college and student debt.

At a time when lawmakers and the public should be keenly focused on lowering college cost and student debt burdens, this bill makes higher education in the United States more costly and less accessible. It harms higher education in the following ways:

- **New excise taxes on college endowments** will take money away from students and vital college operations. Endowment income plays a major role in maintaining financial aid and covering educational costs. The taxation of this income will decrease the number of students receiving a college education, diminish academic programs and weaken physical plants thereby hurting local economies.
- The **elimination of colleges' access to tax-free funding** (via the municipal bond market) will hurt its abilities to build and maintain educational facilities at reasonable cost.
- The **elimination of itemized deductions** for a vast majority of taxpayers will greatly reduce charitable giving as will the **elimination of the estate tax**. The loss of this support will directly reduce both financial aid for students in need and educational programming that prepares students to be productive citizens.
- Three repeals that penalize students:
 - The repeal of the deduction for interest on tuition loans
 - The repeal of the Hope Scholarship Tax Credit
 - The repeal of the Lifetime Learning Credit

These retractions will make it harder for students to afford college tuition and will significantly increase student debt. The result will be fewer educated and solvent citizens.

The cumulative result of these tax changes will be losses in jobs and national economic health; educational quality; innovation and discovery; and American global competitiveness.

For more than a century, the U.S. higher education system has been world-renowned. The proposed legislation will do lasting damage – a rejection or amendment of this harmful bill is required.

Contact your elected officials [here](#).

NAICU provides a summary sheet [here \(.PDF\)](#).

American Council on Education's letter on the Tax Cuts and Jobs Act is available [here \(.PDF\)](#).