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Delaney, Byrne Introduce the Don't Tax Higher Education Act

Bipartisan legislation repeals excise tax on university endowments created in new tax law

WASHINGTON – Congressman John K. Delaney (MD-6) and Congressman Bradley Byrne (AL-1) have introduced bipartisan legislation to repeal the excise tax on endowments that was included in the tax reform bill signed into law last year. The tax bill passed last year creates a 1.4% excise tax on net endowment income for institutions with large endowments. Because the legislation did not include threshold adjustments for inflation, it is likely that more and more institutions will be subject to the tax in the future.

The Delaney-Byrne Don't Tax Higher Education Act eliminates the tax on endowments. The Delaney-Byrne bill is supported by the American Council on Education, the Council for Advancement and Support of Education (CASE), the National Association of College and University Business Officers, and the National Association of Independent Colleges and Universities.

"America's colleges and universities are one of our singular assets as a country. We lead the world in higher education and it gives us an incredible advantage in today's high-tech, high-skill global economy. We should be leaning into these advantages, not undermining them," said **Congressman Delaney**.

"Colleges and universities rely on their endowments to provide essential funding for financial aid, support difference-making research and teaching and effectively manage complex long and short term costs. I'm proud to work with Congressman Byrne on this bipartisan bill that ends the tax on higher education."

"While the impact of the excise tax on college endowments may be small today, I worry about future growth and expansion of this misguided tax on higher education. We should all be looking for ways to increase access to higher education, and endowments play a very important role in funding scholarships, student aid, and important research initiatives. As we continue working to build and train the workforce of the 21st Century, we must be doing more – not less – to improve higher education in America, and I

am proud to partner with Congressman Delaney on this bipartisan legislation,” said **Congressman Bradley Byrne**.

“We applaud Representatives Delaney and Byrne for their commitment to eliminating this unnecessary and misguided tax. Our tax policy should encourage donors to make charitable gifts supporting wider access through scholarships, research and academic programs at colleges, universities and independent schools. It should not penalize donor generosity by taxing the endowed charitable gifts of donors, redirecting critical funds away from supporting the important work of educational institutions,” said **Sue Cunningham, President and CEO of the Council for Advancement and Support of Education (CASE)**.

“The new excise tax on endowments at private colleges and universities will simply result in fewer dollars available for scholarships, student services, research, and college and university operating expenses at the impacted institutions. Eliminating this tax is a sound policy step squarely in the public interest,” said **John Walda, President and CEO, National Association of College and University Business Officers**.

“The National Association of Independent Colleges and Universities fully supports Rep. Delaney's efforts to repeal the endowment tax. This new excise tax on private college endowments is an unprecedented intrusion into charitable giving. Private colleges rely on alumni gifts to support our students and missions the same way public colleges rely on the full faith and credit of the states. It's an unfair attack on one sector of higher education, creates a dangerous precedent of taxing charities, and does nothing to help students,” said **Dr. David L. Warren, President, National Association of Independent Colleges and Universities**.

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