

ASSOCIATION of
JESUIT COLLEGES
& UNIVERSITIES
AJCU

May 21, 2019

The Honorable Nancy Pelosi
Speaker
U. S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
U. S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

On behalf of the twenty-eight Jesuit colleges and universities across the nation, I write to urge strong support for H.R. 1994 (the Setting Every Community Up for Retirement Enhancement Act of 2019), which includes provisions that are very important to low- and middle-income students on our campuses.

As you know, the Tax Cuts and Jobs Act of 2017 (TCJA) included provisions that would subject these students to considerably higher tax rates on the portion of scholarships that cover expenses in excess of tuition and fees (e.g. room and board). As you surely understand, scholarship funds for such expenses are often essential for many students to be able to pursue higher education, and we are certainly proud of the Jesuit colleges and universities that have provided such aid so that needy students can indeed pursue their education on our campuses.

The changes in the TCJA would subject those scholarship dollars in excess of tuition and fees to be taxed as net unearned income at the rates used for trusts and estates rather than at the marginal tax rate of their parents' income. The result would be a dramatic increase in the taxes owed by a family, in some instances approaching double the tax burden on this portion of their income. Unless remedied as proposed in H R. 1994, this could disrupt some students' ability to continue their education.

As we understand it, this was an unintended consequence of the TCJA. It is also safe to assume that taxpayers who prepare their own tax returns were likely unaware of the change as they prepared their returns. That makes it very important that this provision be enacted retroactive to December 31, 2017, and that the legislation be passed and signed into law without delay.

Thank you for your help in moving this legislation toward enactment.

Sincerely,



Rev. Michael J. Sheeran, S.J.
President, Association of Jesuit Colleges and Universities

BOSTON COLLEGE, MA
CANISIUS COLLEGE, NY
COLLEGE OF THE HOLY CROSS, MA
CREIGHTON UNIVERSITY, NE
FAIRFIELD UNIVERSITY, CT
FORDHAM UNIVERSITY, NY
GEORGETOWN UNIVERSITY, DC
GONZAGA UNIVERSITY, WA
JOHN CARROLL UNIVERSITY, OH
LE MOYNE COLLEGE, NY
LOYOLA MARYMOUNT UNIVERSITY, CA
LOYOLA UNIVERSITY CHICAGO, IL
LOYOLA UNIVERSITY MARYLAND, MD
LOYOLA UNIVERSITY NEW ORLEANS, LA
MARQUETTE UNIVERSITY, WI
REGIS UNIVERSITY, CO
ROCKHURST UNIVERSITY, MO
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SAINT LOUIS UNIVERSITY, MO
SAINT PETER'S UNIVERSITY, NJ
SANTA CLARA UNIVERSITY, CA
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SPRING HILL COLLEGE, AL
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