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November 7, 2017

Honorable Mark R. Warner
United States Senate
Washington, D.C. 20510

Dear Senator Warner:

I am writing to you on behalf of George Mason University on the pending tax reform legislation. As a member of the Senate Finance Committee, your position is pivotal in ensuring college institutions, students and families are not harmed by tax code changes. We appreciate everything you do for Mason and the Commonwealth.

I want to share with you how some of the provisions in the House tax bill would affect Mason directly. First, the House bill proposes to repeal Section 117(d), which allows universities to provide their employees with tuition reductions for undergraduate education that are excluded from taxable income. Mason provides tuition waivers for more than 400 employees each Fall and Spring, and another 125 in the Summer semester. The total benefit for FY17 was \$2.4 million. Many of these employees are classified staff who use the benefit to pursue degrees. In addition, this benefit attracts talented employees in a high cost area, especially during periods when salaries are restricted by state budgets.

Second, the House bill proposes eliminating the Lifelong Learning Credit. Mason currently has over 5,000 families who reported tax credits of over \$7,000,000 for the 2015 tax year.

Third, the House bill proposes eliminating the Student Loan Interest Deduction. Since students who claim interest deductions of student loans usually finish school before they start repaying their loans, we do not have hard data. However, many of our students or parents of students would be able to take some amount of tuition income reduction since the income limit is \$80,000 for individuals or \$160,000 for married couples filing jointly.

Fourth, the House proposes to eliminate the Employer-Provided Education Assistance. Mason educates an increasing number of adult students. Because these students span Mason's 11 schools and colleges, we have not yet collected all the data, but we know that many are using employer funding for their graduate education.

Fifth, the House bill repeals Section 117 (d) (5), which lowers the cost of graduate education for Mason graduate students serving as teaching or research assistants as part of their academic training without the tuition reductions counting as taxable income. Mason has over 10,000 graduate students. Many have incomes over \$20,000. Repeal of this section would increase their taxable income to such a degree that it would make graduate education unaffordable.

Finally, we have learned that a Senate draft proposes limits on tax-deductible 403 (b) contributions and requires future monies to be treated as after-tax Roth contributions. We oppose reducing or eliminating the existing tax-deferred incentives built into the retirement programs for higher education's faculty and staff. Removing these incentives would harm our employees who depend on a variety of retirement plans to help ensure that they can attain a secure retirement.

Thank you very much for your consideration. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer W. Davis". The signature is fluid and cursive, with a long horizontal stroke extending to the right. Below the signature, the name and title are printed in a standard font.

Jennifer (J.J.) Wagner Davis
Senior Vice President for Administration and Finance