

## UCGPC President's Statement on Tax Reform

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This month, House Republicans released their tax reform proposal, the "Tax Cuts and Jobs Act," which includes many changes to the federal tax code. Some of the proposed changes would be devastating to graduate students and higher education as a whole, and I urge lawmakers to remove these provisions from the bill, and to oppose it if these provisions remain.

In particular, graduate students across the country are especially concerned about the impacts of repealing section 117(d), which would allow the taxation of tuition waivers as income. Currently, most PhD students and some Master's students working as a teaching or research assistants receive both a modest stipend and a waiver for tuition. This is the case even later in a PhD student's career, when they may no longer be taking structured classes, and their tuition goes towards credit for independent study that makes up their own dissertation research. This money is never passed along to these students and there is not an option to take the money instead of enrolling in classes. But with the new tax proposal, even though a student's take home pay remains the same, their taxable income could double or triple, dramatically increasing their tax burden for a population that already struggles to make ends meet.

Other harmful provisions including removing tax deductions for employee-paid educational assistance, which many students rely on to attend graduate school, and eliminations of deductions students use such as for state and local income tax, lifetime learning credits, student loan interest payments, and other education related credits. Even with increases in the standard deduction, these changes combined would cause dramatic increases in the tax burden of students across the board, with many losing much more of their stipend to taxes, turning the ability to survive on a graduate stipend alone from "difficult" to "impossible."

The affordability of higher education is paramount to our state and country as a whole. Education should never be limited only to the wealthy – our graduate students across California come from all backgrounds and are all deserving of the right to continue. Already higher education is difficult to afford for many, and taxing the tuition waiver that graduate students never receive as income would dramatically increase their taxes to the point where many would be forced out of their programs or prevented from beginning in the first place. This doesn't just hurt the students; it hurts universities' ability to attract and retain graduate students which are fundamental to their mission, it hurts the workforce that's deprived of the highest levels of education that future workers could be at, and it hurts the nation through the loss of scientific innovations and knowledge production that our graduate students drive.

Once again, I urge California lawmakers to listen to these concerns your constituents are presenting and oppose these harmful provisions of the current House tax proposal.

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President of the University of California Graduate Professional Council