

Improving Tax Policies to Support Graduate Students, Employers, and Employees



Certain provisions within the U.S. tax code directly affect the ability of employees to pursue a graduate degree as well as the ability of employers to invest in their employees' education. These credits and deductions can serve as powerful tools for recruitment and retention of employees, and ultimately the cultivation of a highly-educated and skilled U.S. workforce. These provisions should not only be preserved, but enhanced. Additionally, tax policies should maximize the utility of contributions such as charitable giving and endowments that allow academic institutions to fulfill their missions.

Recommendations

- **Preserve the Student Loan Interest Deduction (SLID).**
- **Make permanent the above the line deduction for qualified education expenses related to tuition and fees.**
- **Simplify and enhance the American Opportunity Tax Credit and the Lifetime Learning Credit, so that they are easier for students and families to navigate, while allowing graduate students to access them.**
- **Preserve Sec. 117(d)(5), which excludes tuition waivers and remissions from being included as taxable income.**
- **Provide tax credit incentives to allow individuals to contribute to Sec. 529 education savings accounts, including employer tax credits when they match the contributions.**
- **Strengthen Sec. 127, which allows employers to provide tax-exempt tuition assistance, by expanding monetary limits and allow it to include student loan repayment.**

