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STATEMENT ON TAX CUTS AND JOBS ACT PASSED TODAY

Bill passed by Congress avoids worst provisions for students and borrowers from past versions, but still harms how we fund higher education

Today, Congress passed H.R. 1, "[The Tax Cuts and Jobs Act](#)," (Brady, R-TX) sending the bill to President Trump for his expected signature. Since its introduction in the House of Representatives, several of the [provisions that most concerned higher education advocates](#) have been removed due to wide public opposition. The bill's author, Congressman Kevin Brady, said that these changes reflected, "how closely we listened to the American people as we worked to finalize the bill." Reductions to tax credits that help families pay for college and a provision to make interest payments on student debt taxable were removed from the final version of the bill. While more immediate impacts on how students and families pay for college were avoided, this flawed bill would still undermine higher education financing by adding significant pressure to the budgets for states like California and the federal government.

Though the Tax Cuts and Jobs Act would not fully eliminate the state and local tax (SALT) deduction on federal income taxes, the new limits it proposes on the deduction will have serious repercussions for state revenue. Under the legislation, the SALT deduction would be restricted to a maximum of \$10,000 for all payments on local or state property, sales, and income taxes. In 2015, 6.1 million Californians used the SALT deduction, saving more than \$18,000 per filer on average. By capping the SALT deduction, the bill would begin taxing California residents on any income they have already paid to local or state government beyond the \$10,000 limit. The California Community Colleges, California State University, and University of California all rely on critical state support to serve students. Federal tax policy should incentivize, not reduce, state and local investments that promote college access and student success.

Nonpartisan experts project that H.R. 1 would also raise the U.S. national debt by more than [\\$1 trillion](#) due to significant losses in revenue from corporate and personal income taxes without offsetting reductions in tax spending programs. Such fiscal irresponsibility only heightens the likelihood that Congress will continue to seek cuts to discretionary spending areas, like education. This is particularly concerning given that President Trump's 2018 budget proposal sought to cut the Department of Education by more than \$9 billion, while Congress has already moved to raid Pell Grant reserve funds for non-educational spending uses in 2018. Tax reform should not be used as a backdoor to deep cuts that will put college further out of reach for students.

The Tax Cuts and Jobs Act could undermine our ability to close critical educated workforce gaps faced nationally and in California. We urge Congress to use the 2018 spending bill being currently debated as an opportunity to demonstrate a commitment to higher education not reflected in the tax bill by strengthening federal financial aid so that all talented Americans, regardless of their current economic situation, can go to college and earn a credential or degree that helps contribute to building a more perfect union.

To see how your Representative voted on the tax bill, click [here](#).

To read the official legislative text of the Tax Cuts and Jobs Act, click [here](#).

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About Campaign for College Opportunity:

The Campaign for College Opportunity is a California non-profit bipartisan policy and research organization focused on a single mission: to ensure all Californians have an equal opportunity to attend and succeed in college in order to build a vibrant workforce, economy and democracy. For more information, visit www.CollegeCampaign.org / [Facebook.com/CollegeCampaign](https://www.facebook.com/CollegeCampaign) or follow [@CollegeOpp](https://twitter.com/CollegeOpp).