

# GOP Tax Bill Makes Graduate School Unaffordable, Hikes Costs for Students and Families



**The tax bill passed by the House increases the cost of higher education to students and families by more than \$71 billion over the next decade, according to the nonpartisan Joint Committee on Taxation. Only the rich will be able to go to graduate school, students say.**

## Crippling new taxes imposed on graduate students

- ▶ Many graduate students, especially those pursuing doctorates, now get tuition waivers in exchange for **teaching classes or doing research**.
- ▶ Taxing that money, as the GOP is proposing to do, would **make graduate school unaffordable** for low- and middle-income students and families, and exacerbate the shortage of U.S. workers equipped for good-paying jobs in science, technology, engineering, and mathematics (STEM).
- ▶ The proposed changes would hurt students at both public and private universities. Here are some examples:
  - **Pennsylvania State University:** On average, graduate assistants' federal tax bill would increase from \$1,092 to \$3,182 — the equivalent of a 10 percent pay cut for people earning less than \$21,000 a year, says Ph.D. candidate Brianne Pragg. Recently hired colleagues tell her they'll likely have to drop out; those closer to earning their Ph.D.'s likely will "stick it out, but they'll probably have to borrow to pay their federal taxes, which will just increase student debt. It certainly will decrease the number of applicants, especially among first-generation students and minorities."
  - **Florida A&M University:** "Drive and tenacity can only get me so far when faced with such financial hardships. I am currently in grave loan debt and risk maximizing my borrowing potential," says Ph.D. candidate Krystal Williams, a non-traditional student who is also a wife, mother of two young girls, and first-generation college graduate.
  - **Florida State University:** On average, graduate assistants earning \$22,000 a year tax would see their tax bill rise from \$788 to \$3,000 — an increase of about 400 percent. "This makes the poor even poorer," says Ph.D. candidate Samantha Berthelette.
  - **Massachusetts Institute of Technology:** "Graduate students would be responsible for paying taxes on an \$80,000 annual salary, when we actually earn \$33,000 a year. That's an increase of our tax burden by at least \$10,000 annually," says Ph.D. candidate Erin Rousseau. "It would make meeting living expenses nearly impossible, barring all but the wealthiest students from pursuing a Ph.D."

## Rising education costs for students and families

- ▶ The House bill eliminates the **deduction for interest on student loans** — up to \$2,500 a year — taken by 12 million people in 2015 (latest data available), according to the Internal Revenue Service.
- ▶ The House bill also eliminates the **Lifetime Learning Credit** — up to \$2,000 a year — that can help pay for undergraduate and graduate courses, job training programs, and professional development.
- ▶ The House bill eliminates the \$250 **educator expense deduction**, while the Senate bill increases it to \$500.