Summary of OSU's Topline Concerns and Interests in Proposed Tax Reform Legislation

Tax Code Provision	Current Law	Senate Bill	House Bill	Concerns
American Opportunity Tax Credit (AOTC)	Provides a 100% tax credit for the first $2,000 of qualified expenses and 25% for qualified expenses in excess of $2,000, for a maximum annual credit of $2,500. Qualified expenses include tuition, fees, and course materials. Available up to 4 years of postsecondary education.	Current law maintained	Available for a fifth year of postsecondary education at half the rate as the first four years. Up to $500 of the additional credit is refundable.	This enhanced AOTC would be insufficient in light of the proposed repeal of the Lifetime Learning Credit for meeting the unique needs of non-traditional students, part-time students, and graduate students.
Lifetime Learning Credit	Provides a 20% credit of up to $10,000 of qualified post-secondary education expenses. Not refundable.	Current law maintained	Repealed	This would increase tax liability for non-traditional students.
Student Loan Interest Deduction	Individuals can claim a deduction of up to $2,500 for interest payments on student loans for themselves, their spouses or dependents.	Current law maintained	Eliminates all personal exemptions in favor of higher student deduction.	This would make it more expensive for individuals and families who are working to pay off student loans.
Section 117(d) Income Exemptions	Permits educational institutions to provide their employees with tuition reductions that are excluded from taxable income. Also exempts tuition waivers from income taxation for graduate students.	Current law maintained	Repealed	This would increase costs to graduate students, who are engaged in teaching and research while pursuing a degree, and for any employee or their dependent who wants to pursue a postsecondary degree while working at OSU.
Charitable Giving • **Standard Deduction**	Basic standard deduction is $6,350 for single individuals; $9,350 for heads of households; and $12,700 for joint returns.	Increases the basic standard deduction to $24,000 for married individuals filing a joint return; $18,000 for heads of households; and $12,000 for all others.	Doubles the standard deduction for individuals and joint returns. Reduces the number of taxpayers who itemized and the value of the charitable deduction.	A reduction in incentives for charitable giving would reduce philanthropy. Charitable giving provides critical support for OSU's mission to provide high quality student education, research and public services.
• **University Seating Rights**	University donors deduct 80 percent of the charitable gift made in exchange for rights to purchase season tickets.	Current law retained	Repealed	
Private Activity Bonds, Advance Refunding Bonds, and Tax-exempt bonds for professional stadiums	Private non-profit colleges and universities use tax-exempt bonds to finance capital projects.	Current law maintained	Repealed	Changes would mean OSU could no longer issue tax-exempt advance refunding bonds to lower its debt service payments in low-interest rate markets. Would prevent rental of stadiums to professional sports teams including minor league teams, such as the Corvallis Knights.
Unrelated Business Income Tax	Universities pay taxes on contributions on income not related to exempt activities.	Income derived from licensing university trademarks and logos would be subject to taxation.	Income derived from research not publicly available would be treated as UBIT and subject to UBIT rules.	Licensing income helps support OSUs mission.