

119TH CONGRESS
1ST SESSION

H. R. 1006

To amend the Internal Revenue Code of 1986 to modify the excise tax
on investment income of private colleges and universities.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2025

Mr. JOYCE of Ohio (for himself and Ms. MALLIOTAKIS) introduced the
following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify
the excise tax on investment income of private colleges
and universities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Higher Education Ac-
5 countability Tax Act”.

1 **SEC. 2. MODIFICATION OF EXCISE TAX ON INVESTMENT IN-**
 2 **COME OF PRIVATE COLLEGES AND UNIVER-**
 3 **SITIES.**

4 (a) INCREASE IN RATE OF TAX.—Section 4968(a) of
 5 the Internal Revenue Code of 1986 is amended by striking
 6 “1.4 percent” and inserting “10 percent”.

7 (b) ADDITIONAL INCREASE IN RATE OF TAX FOR IN-
 8 STITUTIONS WITH INCREASES IN NET PRICE.—

9 (1) IN GENERAL.—Section 4968(a) of such
 10 Code, as amended by subsection (a), is amended by
 11 inserting “(20 percent in the case of a net-price-in-
 12 crease institution)” after “10 percent”.

13 (2) NET-PRICE-INCREASE INSTITUTION.—Sec-
 14 tion 4968(b) of such Code is amended by redesign-
 15 ating paragraph (2) as paragraph (3) and by in-
 16 serting after paragraph (1) the following new para-
 17 graph:

18 “(2) NET-PRICE-INCREASE INSTITUTION.—The
 19 term ‘net-price-increase institution’ means any appli-
 20 cable educational institution for any taxable year if,
 21 during the 3-taxable-year period ending with the
 22 taxable year immediately preceding such taxable
 23 year, the net price of such institution increased at
 24 a rate which exceeds the rate of increase in the Con-
 25 sumer Price Index (as defined in section 1(f)(5)) for
 26 such period. For purposes of the preceding sentence,

1 the term ‘net price’ has the meaning given such
2 term by section 132(a)(3) of the Higher Education
3 Act of 1986 (20 U.S.C. 1015a(a)(3)) except that
4 such price shall be determined by taking into ac-
5 count all first-time, full-time undergraduate students
6 at the institution (in addition to such students who
7 receive student aid).”.

8 (c) EXPANSION OF INSTITUTIONS SUBJECT TO
9 TAX.—Section 4968(b)(1)(D) of such Code is amended by
10 striking “\$500,000” and inserting “\$250,000”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2024.

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