

PROTECTING AMERICAN STUDENTS ACT

DECEMBER 24, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH of Missouri, from the Committee on Ways and Means,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 8913]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 8913) to amend the Internal Revenue Code of 1986 to exclude certain students from the calculation to determine if certain private colleges and universities are subject to the excise tax on net investment income, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Protecting American Students Act”.

SEC. 2. CERTAIN STUDENTS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF CALCULATION TO DETERMINE IF CERTAIN PRIVATE COLLEGES AND UNIVERSITIES ARE SUBJECT TO EXCISE TAX ON NET INVESTMENT INCOME.

(a) IN GENERAL.—Section 4968(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(3) CERTAIN STUDENTS NOT TAKEN INTO ACCOUNT IN DETERMINING ENDOWMENT THRESHOLD.—For purposes of paragraph (1)(D), a student shall not be taken into account with respect to an eligible educational institution unless such student meets the student eligibility requirements under section 484(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(5)).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 3. REQUIREMENT TO REPORT CERTAIN INFORMATION WITH RESPECT TO APPLICATION OF EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

(a) IN GENERAL.—Section 6033 of the Internal Revenue Code of 1986 is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

“(o) REQUIREMENT TO REPORT CERTAIN INFORMATION WITH RESPECT TO EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.—Each applicable educational institution described in section 4968(b) which is subject to the requirements of subsection (a) shall include on the return required under subsection (a)—

“(1) the number of students taken into account for purposes of the calculation in paragraph (1)(D) of section 4968(b) (determined before the application of paragraph (3) of such section), and

“(2) the number of students taken into account for purposes of the calculation in paragraph (1)(D) of section 4968(b) (determined after the application of paragraph (3) of such section).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2024.

I. SUMMARY AND BACKGROUND

A. PURPOSE AND SUMMARY

The bill, H.R. 8913, the “Protecting American Students Act,” as ordered by the Committee on Ways and Means on July 9, 2024, modifies the excise tax based on investment income of private colleges and universities under section 4968 of the Internal Revenue Code (“IRC”). Under the bill, an institution is an applicable educational institution subject to the excise tax if it has assets with a fair market value of at least \$500,000 per student, and only those

students who meet the eligibility requirements of section 484(a)(5) of the Higher Education Act of 1965 are taken into account.

B. BACKGROUND AND NEED FOR LEGISLATION

To promote tax fairness among private foundations and tax-exempt organizations—particularly private colleges and universities—the 2017 Trump tax cuts established the “Endowment Tax.” Currently, the Endowment Tax is a 1.4 percent excise tax on the net investment income (“NII”) of a private college or university endowment above a certain size. To be within scope of the tax, the institution must have (among other criteria) (1) at least 500 “tuition-paying” students; and (2) an endowment value of at least \$500,000 per “full-time” student. Roughly 30 to 60 institutions fall into scope of the Endowment Tax in any given year. According to the most recently available data from the Internal Revenue Service (“IRS”), in 2022, the Endowment Tax raised \$244 million from 58 schools after raising just \$68 million from 33 schools in 2021.

As the Committee’s investigation into antisemitism has shown, America’s supposedly *elite* institutions—which receive generous federal tax benefits—have harbored and promoted antisemitic behavior while allowing Jewish students to be threatened, harassed, and assaulted on campus. Data and public reporting make clear that malign foreign influence, including some students present in the United States on temporary student visas, have directly contributed to the rise in antisemitic behavior on college campuses.

At the same time, public reporting indicates that the number of foreign students at American universities, especially at Ivy League schools, has grown significantly in recent years. Over the last decade, the number of foreign students in the United States has increased by nearly 30 percent. Reporting indicates that the average number of foreign students at Ivy League schools is around 25 percent, reaching as high as 50 percent at some institutions. H.R. 8913 amends the Endowment Tax formula to only account for students eligible for federal financial assistance under section 484(a)(5) of the Higher Education Act of 1965. This includes students who are (1) a citizen, national, or permanent resident of the United States; or (2) able to provide evidence from the Immigration and Naturalization Service that they are in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident. This would not include students who are in the U.S. temporarily or on a student visa. H.R. 8913 would incentivize private colleges and universities to either enroll more students eligible for federal financial assistance or spend more of their endowment funds on those students to avoid being subject to the Endowment Tax.

C. LEGISLATIVE HISTORY

Background

H.R. 8913 was introduced on July 2, 2024, and was referred to the Committee on Ways and Means.

Committee Hearings

On November 15, 2023, the Committee held a hearing entitled, “From Ivory Towers to Dark Corners: Investigating the Nexus Be-

tween Antisemitism, Tax-Exempt Universities, and Terror Financing.”¹

On June 13, 2024, the Committee held a hearing entitled, “Crisis on Campus: Antisemitism, Radical Faculty, and Failure of University Leadership.”²

Committee Action

The Committee on Ways and Means marked up H.R. 8913, the “Protecting American Students Act,” on July 9, 2024, and ordered the bill, as amended, favorably reported (with a quorum being present).³

D. DESIGNATED HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearings were used to develop and consider H.R. 8913:

On November 15, 2023, the Committee held a hearing entitled, “From Ivory Towers to Dark Corners: Investigating the Nexus Between Antisemitism, Tax-Exempt Universities, and Terror Financing.”⁴

On June 13, 2024, the Committee held a hearing entitled, “Crisis on Campus: Antisemitism, Radical Faculty, and Failure of University Leadership.”⁵

II. EXPLANATION OF THE BILL

A. CERTAIN STUDENTS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF CALCULATION TO DETERMINE IF CERTAIN PRIVATE COLLEGES AND UNIVERSITIES ARE SUBJECT TO EXCISE TAX ON NET INVESTMENT INCOME; REQUIREMENT TO REPORT CERTAIN INFORMATION WITH RESPECT TO APPLICATION OF EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES (SECS. 2 AND 3 OF THE BILL AND SECS. 4968 AND 6033 OF THE CODE)

PRESENT LAW

In general

Section 4968 imposes an excise tax on an applicable educational institution for each taxable year equal to 1.4 percent of the net investment income of the institution for the taxable year. Net investment income is determined using rules similar to the rules of sec-

¹H. Comm. on Ways and Means, *Hearing: From Ivory Towers to Dark Corners: Investigating the Nexus Between Antisemitism, Tax-Exempt Universities, and Terror Financing* (Nov. 15, 2023), <https://waysandmeans.house.gov/event/hearing-from-ivory-towers-to-dark-corners-investigating-the-nexus-between-antisemitism-tax-exempt-universities-and-terror-financing/>.

²H. Comm. on Ways and Means, *Hearing on the Crisis on Campus: Antisemitism, Radical Faculty, and the Failure of University Leadership* (June 13, 2024), <https://waysandmeans.house.gov/event/hearing-on-the-crisis-on-campus-antisemitism-radical-faculty-and-the-failure-of-university-leadership/>.

³H. Comm. on Ways and Means, *Markup of H.R. 8914, H.R. 8913, H.R. 8915, and H.J.Res. 148* (July 9, 2024), <https://waysandmeans.house.gov/event/markup-of-h-r-8914-h-r-8913-h-r-8915-and-h-j-res-148/>.

⁴H. Comm. on Ways and Means, *Hearing: From Ivory Towers to Dark Corners: Investigating the Nexus Between Antisemitism, Tax-Exempt Universities, and Terror Financing* (Nov. 15, 2023), <https://waysandmeans.house.gov/event/hearing-from-ivory-towers-to-dark-corners-investigating-the-nexus-between-antisemitism-tax-exempt-universities-and-terror-financing/>.

⁵H. Comm. on Ways and Means, *Hearing on the Crisis on Campus: Antisemitism, Radical Faculty, and the Failure of University Leadership* (June 13, 2024), <https://waysandmeans.house.gov/event/hearing-on-the-crisis-on-campus-antisemitism-radical-faculty-and-the-failure-of-university-leadership/>.

tion 4940(c) (relating to the net investment income of a private foundation).

An applicable educational institution is an eligible education institution (as defined in section 25A):⁶ (1) that has at least 500 tuition-paying students during the preceding taxable year; (2) more than 50 percent of the tuition-paying students of which are located in the United States; (3) that is not described in the first sentence of section 511(a)(2)(B) of the Code (generally describing State colleges and universities); and (4) the aggregate fair market value of the assets of which at the end of the preceding taxable year (other than those assets that are used directly in carrying out the institution's exempt purpose)⁷ is at least \$500,000 per student (the "asset-per-student threshold"). For these purposes, the number of students of an institution is based on the average daily number of full-time students attending the institution, with part-time students being taken into account on a full-time student equivalent basis.

For purposes of determining whether an educational institution meets the asset-per-student threshold⁸ and for purposes of determining net investment income, assets and net investment income of a related organization with respect to the educational institution are treated as assets and net investment income, respectively, of the educational institution, except that:

- No such amount is taken into account with respect to more than one educational institution; and
- Unless the related organization is controlled by the educational institution or is a supporting organization (described in section 509(a)(3)) with respect to the institution for the taxable year, assets and net investment income that are not intended or available for the use or benefit of the educational institution are not taken into account. For example, assets of a related organization that are earmarked or restricted for (or fairly attributable to) the educational institution would be treated as assets of the educational institution, whereas assets of a related organization that are held for unrelated purposes (and are not fairly attributable to the educational institution) would be disregarded.

An organization is treated as related to the institution for this purpose if the organization: (1) controls, or is controlled by, the institution; (2) is controlled by one or more persons that control the institution; or (3) is a supported organization⁹ or a supporting organization¹⁰ during the taxable year with respect to the institution.

It is intended that the Secretary of the Treasury promulgate regulations to carry out the intent of the provision, including regulations that describe: (1) assets that are used directly in carrying out

⁶Section 25A(f)(2) defines an eligible educational institution as an institution that (1) is described in section 481 of the Higher Education Act of 1965 (20 U.S.C. sec. 1088), as in effect on August 5, 1997, and (2) is eligible to participate in a program under title IV of such Act.

⁷Assets used directly in carrying out the institution's exempt purpose include, for example, classroom buildings and physical facilities used for educational activities and office equipment, or other administrative assets used by employees of the institution in carrying out exempt activities, among other assets.

⁸In cross-referencing the asset-per-student threshold for this purpose, section 4968(d)(1) includes a reference to subsection "(b)(1)(C)" that should instead read "(b)(1)(D)." A clerical correction may be necessary to correct this cross-reference.

⁹Sec. 509(f)(3).

¹⁰Sec. 509(a)(3).

the educational institution's exempt purpose; (2) the computation of net investment income; and (3) assets that are intended or available for the use or benefit of the educational institution.

The IRS and Treasury Department have issued regulations addressing this provision.¹¹

Reporting requirements

A private college or university generally must file an annual information return with the IRS using IRS Form 990, "Return of Organization Exempt from Income Tax." Part V, question 16 of the Form 990 for the year 2023 asks whether the filing organization is an educational institution that is subject to the section 4968 excise tax on net investment income. The instructions to the form include a worksheet to assist the organization in making this determination.¹²

An organization that answers "yes" to question 16 is required to complete Schedule O of IRS Form 4720, "Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code." Form 4720 is used to report certain excise taxes that apply to tax-exempt organizations, including the section 4968 excise tax on the net investment income of private colleges and universities. On Schedule O, the organization must provide information about the net investment income of the filing organization and its related organizations and compute the amount of section 4968 excise tax owed by the organization.

REASONS FOR CHANGE

The Committee believes that the tax laws should incentivize colleges and universities that do not pay Federal income tax to enroll more American students and to spend more of their endowment funds to provide services for and educate students. In describing students that qualify for Federal financial aid, the Higher Education Act of 1965 generally requires that a student be a U.S. citizen or national, a permanent resident, or able to provide evidence that the student is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident. The Committee believes that the same requirement should apply under the tax laws in determining whether a student is counted when calculating an institution's assets-perstudent ratio under the endowment excise tax.

EXPLANATION OF PROVISION

The provision modifies the asset-per-student calculation used in determining whether an institution is an applicable educational institution. Specifically, a student is not taken into account with respect to an educational institution for this purpose unless the student meets the eligibility requirements under section 484(a)(5) of the Higher Education Act of 1965.¹³ That section requires that the student "be a citizen or national of the United States, a permanent resident of the United States, or able to provide evidence from the

¹¹Treas. Reg. sec. 53.4968-1 through -4.

¹²See 2023 Instructions for Form 990, pp. 18-19. The student counts used in determining whether an institution is an applicable educational institution are referenced in the worksheet but are not provided to the IRS.

¹³20 U.S.C. sec. 1091(a)(5).

Immigration and Naturalization Service that he or she is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident.”

The provision also requires an applicable educational institution that is required to file an annual information return (Form 990) to include on the return the number of students taken into account for purposes of the asset-per-student calculation, determined both before and after application of the rule that limits the student count to students who meet the eligibility requirements under section 484(a)(5) of the Higher Education Act of 1965.

EFFECTIVE DATE

The provision is effective for taxable years beginning after December 31, 2024.

III. VOTE OF THE COMMITTEE

In compliance with the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee on Ways and Means during the markup consideration of H.R. 8913, the “Protecting American Students Act,” on July 9, 2024.

H.R. 8913 was ordered favorably reported to the House of Representatives as amended by a roll call vote of 24 yeas to 13 nays (with a quorum being present). The vote was as follows:

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Smith (MO)	X	.....	.....	Mr. Neal .....	.....	X	.....
Mr. Buchanan	X	.....	.....	Mr. Doggett .....	.....	X	.....
Mr. Smith (NE)	X	.....	.....	Mr. Thompson .....	.....	X	.....
Mr. Kelly	X	.....	.....	Mr. Larson .....	.....	X	.....
Mr. Schweikert	X	.....	.....	Mr. Blumenauer .....	.....	X	.....
Mr. LaHood	X	.....	.....	Mr. Pascrell .....	.....	.....	.....
Dr. Wenstrup	X	.....	.....	Mr. Davis .....	.....	.....	.....
Mr. Arrington	X	.....	.....	Ms. Sánchez .....	.....	.....	.....
Dr. Ferguson	X	.....	.....	Ms. Sewell .....	.....	X	.....
Mr. Estes	X	.....	.....	Ms. DelBene .....	.....	X	.....
Mr. Smucker	X	.....	.....	Ms. Chu .....	.....	X	.....
Mr. Hern	X	.....	.....	Ms. Moore .....	.....	.....	.....
Ms. Miller	X	.....	.....	Mr. Kildee .....	.....	X	.....
Dr. Murphy .....	.....	.....	.....	Mr. Beyer .....	.....	X	.....
Mr. Kustoff	X	.....	.....	Mr. Evans .....	.....	.....	.....
Mr. Fitzpatrick	X	.....	.....	Mr. Schneider .....	.....	X	.....
Mr. Steube	X	.....	.....	Mr. Panetta .....	.....	X	.....
Ms. Tenney	X	.....	.....	Mr. Gomez .....	.....	X	.....
Mrs. Fischbach	X	.....	.....		
Mr. Moore	X	.....	.....		
Mrs. Steel	X	.....	.....		
Ms. Van Dyne	X	.....	.....		
Mr. Feenstra	X	.....	.....		
Ms. Malliotakis	X	.....	.....		
Mr. Carey	X	.....	.....		

IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

In compliance with clause 3(d) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the effects on the budget of the bill, H.R. 8913 as reported.

The estimate prepared by the Joint Committee on Taxation (“JCT”) is included below.

The provision is estimated to have the following effect on Federal fiscal year budget receipts. Because the first tax year following the effective date for most applicable educational institutions begins July 1, 2025, and ends on June 30, 2026, changes to excise tax receipts under section 4968 resulting from this provision generally will not occur until such institutions file the Form 990 and Form 4270 returns for such tax year. In general, not including extensions, these returns have a filing deadline of the 15th day of the 5th month after the institution’s accounting period ends. For this reason, the provision is not expected to have significant revenue effects relative to the present law baseline until Federal fiscal year 2027.

Assuming an enactment date of July 31, 2024, the provision is estimated to have the following effect on Federal fiscal year budget receipts:

FISCAL YEARS												
[Millions of dollars]												
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024–28	2024–34
.....	[1]	26	28	30	33	35	37	40	43	55	273

NOTE: Details may not add to totals due to rounding.

[1] Gain of less than \$500,000.

B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES BUDGET AUTHORITY

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that the bill involves no new or increased budget authority.

C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, requiring a cost estimate prepared by the CBO, the following statement by CBO is provided.

H.R. 8913, Protecting American Students Act			
As ordered reported by the House Committee on Ways and Means on July 9, 2024			
By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	84	273
Increase or Decrease (-) in the Deficit	0	-84	-273
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 8913 would change the definition of “student” for purposes of determining whether a postsecondary institution is subject to the excise tax that applies to net investment income earned on endowment assets. Under current law, that tax applies to institutions with endowment assets of \$500,000 or more per student. The number of students is the daily average number of full-time students, with part-time students considered on a full-time-equivalent basis. H.R. 8913 would specify that the accounting include only those students who are U.S. citizens, permanent residents, or able to provide evidence of being in the country with the intention of becoming a citizen or permanent resident.

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (JCT) will be the official estimates for all tax legislation considered by the Congress. As such, CBO incorporates those estimates into its cost estimates of the effects of legislation. The estimates for the revenue provisions of H.R. 8913 were provided by JCT.¹

The estimated budgetary effect of H.R. 8913 is shown in Table 1. The costs of the legislation fall within budget function 800 (general government).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 8913

	By fiscal year, millions of dollars—													2024–2029	2024–2034
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034				
INCREASES IN REVENUES															
Estimated Revenues	0	0	*	26	28	30	33	35	37	40	43	84	273		

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Components may not sum to totals because of rounding; * = between zero and \$500,000.

CBO also estimates that implementing H.R. 8913 would increase the administrative costs of the Internal Revenue Service by less than \$500,000 over the 2024–2034 period; any related spending would be subject to the availability of appropriated funds.

¹Joint Committee on Taxation, *Estimated Revenue Effects of H.R. 8913, the “Protecting American Students Act,”* JCX–28–24 (July 8, 2024), www.jct.gov/publications/2024/jcx-28-24.

For this estimate, CBO and JCT assume that the bill will be treated as if enacted on July 31, 2024. JCT estimates that enacting H.R. 8913 would increase revenues by \$273 million over the 2024–2034 period because more institutions would be subject to the excise tax if fewer students were counted in the determination of the \$500,000 per student threshold.

CBO estimates that implementing the bill would increase federal costs by less than \$500,000 over the 2025–2029 period for the Internal Revenue Service to make those changes; any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Molly Sherlock. The estimate was reviewed by John McClelland, Director of Tax Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings and recommendations that are reflected in this report.

B. STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the bill does not authorize funding, so no statement of general performance goals and objectives is required.

C. APPLICABILITY OF HOUSE RULE XXI, CLAUSE 5(b)

Rule XXI 5(b) of the Rules of the House of Representatives provides, in part, that “A bill or joint resolution, amendment, or conference report carrying a Federal income tax rate increase may not be considered as passed or agreed to unless so determined by a vote of not less than three-fifths of the Members voting, a quorum being present.” The Committee has carefully reviewed the bill, and states that the bill does not provide such a Federal income tax rate increase.

D. INFORMATION RELATING TO UNFUNDED MANDATES

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (Pub. L. No. 104–4).

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

E. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill, and states that the provisions of the bill do not

contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

F. DUPLICATION OF FEDERAL PROGRAMS

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95–220, as amended by Pub. L. No. 98–169).

G. TAX COMPLEXITY ANALYSIS

Section 4022(b) of the Internal Revenue Service Reform and Restructuring Act of 1998 (the “IRS Reform Act”) requires the staff of the Joint Committee on Taxation (in consultation with the IRS and the Treasury Department) to provide a tax complexity analysis. The complexity analysis is required for all legislation reported by the Senate Committee on Finance, the House Committee on Ways and Means, or any committee of conference if the legislation includes a provision that directly or indirectly amends the IRC and has widespread applicability to individuals or small businesses. The staff of the Joint Committee on Taxation has determined that there are no provisions that are of widespread applicability to individuals or small businesses.

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

A. CHANGES IN EXISTING LAW PROPOSED BY THE BILL, AS REPORTED

Pursuant to clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law proposed by the bill are shown as follows:

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

INTERNAL REVENUE CODE OF 1986

* * * * *

Subtitle D—Miscellaneous Excise Taxes

* * * * *

CHAPTER 42—PRIVATE FOUNDATIONS; AND CERTAIN OTHER TAX-EXEMPT ORGANIZA- TIONS

* * * * *

Subchapter H—EXCISE TAX BASED ON INVEST- MENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES

* * * * *

SEC. 4968. EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

(a) **TAX IMPOSED.**—There is hereby imposed on each applicable educational institution for the taxable year a tax equal to 1.4 percent of the net investment income of such institution for the taxable year.

(b) **APPLICABLE EDUCATIONAL INSTITUTION.**—For purposes of this subchapter—

(1) **IN GENERAL.**—The term “applicable educational institution” means an eligible educational institution (as defined in section 25A(f)(2))—

(A) which had at least 500 tuition-paying students during the preceding taxable year,

(B) more than 50 percent of the tuition-paying students of which are located in the United States,

(C) which is not described in the first sentence of section 511(a)(2)(B) (relating to State colleges and universities), and

(D) the aggregate fair market value of the assets of which at the end of the preceding taxable year (other than those assets which are used directly in carrying out the institution’s exempt purpose) is at least \$500,000 per student of the institution.

(2) **STUDENTS.**—For purposes of paragraph (1), the number of students of an institution (including for purposes of determining the number of students at a particular location) shall be based on the daily average number of full-time students attending such institution (with part-time students taken into account on a full-time student equivalent basis).

(3) **CERTAIN STUDENTS NOT TAKEN INTO ACCOUNT IN DETERMINING ENDOWMENT THRESHOLD.**—*For purposes of paragraph (1)(D), a student shall not be taken into account with respect to an eligible educational institution unless such student meets the student eligibility requirements under section 484(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(5)).*

(c) **NET INVESTMENT INCOME.**—For purposes of this section, net investment income shall be determined under rules similar to the rules of section 4940(c).

(d) **ASSETS AND NET INVESTMENT INCOME OF RELATED ORGANIZATIONS.**—

(1) **IN GENERAL.**—For purposes of subsections (b)(1)(C) and (c), assets and net investment income of any related organization with respect to an educational institution shall be treated

as assets and net investment income, respectively, of the educational institution, except that—

(A) no such amount shall be taken into account with respect to more than 1 educational institution, and

(B) unless such organization is controlled by such institution or is described in section 509(a)(3) with respect to such institution for the taxable year, assets and net investment income which are not intended or available for the use or benefit of the educational institution shall not be taken into account.

(2) RELATED ORGANIZATION.—For purposes of this subsection, the term “related organization” means, with respect to an educational institution, any organization which—

(A) controls, or is controlled by, such institution,

(B) is controlled by 1 or more persons which also control such institution, or

(C) is a supported organization (as defined in section 509(f)(3)), or an organization described in section 509(a)(3), during the taxable year with respect to such institution.

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Subtitle F—Procedure and Administration

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CHAPTER 61—INFORMATION AND RETURNS

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Subchapter A—RETURNS AND RECORDS

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PART III—INFORMATION RETURNS

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Subpart A—INFORMATION CONCERNING PERSONS SUBJECT TO SPECIAL PROVISIONS

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SEC. 6033. RETURNS BY EXEMPT ORGANIZATIONS.

(a) ORGANIZATIONS REQUIRED TO FILE.—

(1) IN GENERAL.—Except as provided in paragraph (3), every organization exempt from taxation under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe; except that, in the discretion of the Secretary, any organization described in section 401(a) may be relieved from stating in its re-

turn any information which is reported in returns filed by the employer which established such organization.

(2) BEING A PARTY TO CERTAIN REPORTABLE TRANSACTIONS.—Every tax-exempt entity described in section 4965(c) shall file (in such form and manner and at such time as determined by the Secretary) a disclosure of—

(A) such entity's being a party to any prohibited tax shelter transaction (as defined in section 4965(e)), and

(B) the identity of any other party to such transaction which is known by such tax-exempt entity.

(3) EXCEPTIONS FROM FILING.—

(A) MANDATORY EXCEPTIONS.—Paragraph (1) shall not apply to—

(i) churches, their integrated auxiliaries, and conventions or associations of churches,

(ii) any organization (other than a private foundation, as defined in section 509(a)) described in subparagraph (C), the gross receipts of which in each taxable year are normally not more than \$5,000, or

(iii) the exclusively religious activities of any religious order.

(B) DISCRETIONARY EXCEPTIONS.—The Secretary may relieve any organization required under paragraph (1) (other than an organization described in section 509(a)(3)) to file an information return from filing such a return where he determines that such filing is not necessary to the efficient administration of the internal revenue laws.

(C) CERTAIN ORGANIZATIONS.—The organizations referred to in subparagraph (A)(ii) are—

(i) a religious organization described in section 501(c)(3);

(ii) an educational organization described in section 170(b)(1)(A)(ii);

(iii) a charitable organization, or an organization for the prevention of cruelty to children or animals, described in section 501(c)(3), if such organization is supported, in whole or in part, by funds contributed by the United States or any State or political subdivision thereof, or is primarily supported by contributions of the general public;

(iv) an organization described in section 501(c)(3), if such organization is operated, supervised, or controlled by or in connection with a religious organization described in clause (i);

(v) an organization described in section 501(c)(8); and

(vi) an organization described in section 501(c)(1), if such organization is a corporation wholly owned by the United States or any agency or instrumentality thereof, or a wholly-owned subsidiary of such a corporation.

(b) CERTAIN ORGANIZATIONS DESCRIBED IN SECTION 501(C)(3).—Every organization described in section 501(c)(3) which is subject to the requirements of subsection (a) shall furnish annually infor-

mation, at such time and in such manner as the Secretary may by forms or regulations prescribe, setting forth—

- (1) its gross income for the year,
- (2) its expenses attributable to such income and incurred within the year,
- (3) its disbursements within the year for the purposes for which it is exempt,
- (4) a balance sheet showing its assets, liabilities, and net worth as of the beginning of such year,
- (5) the total of the contributions and gifts received by it during the year, and the names and addresses of all substantial contributors,
- (6) the names and addresses of its foundation managers (within the meaning of section 4946(b)(1)) and highly compensated employees,
- (7) the compensation and other payments made during the year to each individual described in paragraph (6),
- (8) in the case of an organization with respect to which an election under section 501(h) is effective for the taxable year, the following amounts for such organization for such taxable year:

- (A) the lobbying expenditures (as defined in section 4911(c)(1)),
- (B) the lobbying nontaxable amount (as defined in section 4911(c)(2)),
- (C) the grass roots expenditures (as defined in section 4911(c)(3)), and
- (D) the grass roots nontaxable amount (as defined in section 4911(c)(4)),
- (9) such other information with respect to direct or indirect transfers to, and other direct or indirect transactions and relationships with, other organizations described in section 501(c) (other than paragraph (3) thereof) or section 527 as the Secretary may require to prevent—

- (A) diversion of funds from the organization's exempt purpose, or
- (B) misallocation of revenues or expenses,
- (10) the respective amounts (if any) of the taxes imposed on the organization, or any organization manager of the organization, during the taxable year under any of the following provisions (and the respective amounts (if any) of reimbursements paid by the organization during the taxable year with respect to taxes imposed on any such organization manager under any of such provisions):

- (A) section 4911 (relating to tax on excess expenditures to influence legislation),
- (B) section 4912 (relating to tax on disqualifying lobbying expenditures of certain organizations),
- (C) section 4955 (relating to taxes on political expenditures of section 501(c)(3) organizations), except to the extent that, by reason of section 4962, the taxes imposed under such section are not required to be paid or are credited or refunded, and
- (D) section 4959 (relating to taxes on failures by hospital organizations),

(11) the respective amounts (if any) of—

(A) the taxes imposed with respect to the organization on any organization manager, or any disqualified person, during the taxable year under section 4958 (relating to taxes on private excess benefit from certain charitable organizations), and

(B) reimbursements paid by the organization during the taxable year with respect to taxes imposed under such section,

except to the extent that, by reason of section 4962, the taxes imposed under such section are not required to be paid or are credited or refunded,

(12) such information as the Secretary may require with respect to any excess benefit transaction (as defined in section 4958),

(13) such information with respect to disqualified persons as the Secretary may prescribe,

(14) such information as the Secretary may require with respect to disaster relief activities,

(15) in the case of an organization to which the requirements of section 501(r) apply for the taxable year—

(A) a description of how the organization is addressing the needs identified in each community health needs assessment conducted under section 501(r)(3) and a description of any such needs that are not being addressed together with the reasons why such needs are not being addressed, and

(B) the audited financial statements of such organization (or, in the case of an organization the financial statements of which are included in a consolidated financial statement with other organizations, such consolidated financial statement), and

(16) such other information for purposes of carrying out the internal revenue laws as the Secretary may require.

For purposes of paragraph (8), if section 4911(f) applies to the organization for the taxable year, such organization shall furnish the amounts with respect to the affiliated group as well as with respect to such organization.

(c) ADDITIONAL PROVISIONS RELATING TO PRIVATE FOUNDATIONS.—In the case of an organization which is a private foundation (within the meaning of section 509(a))—

(1) the Secretary shall by regulations provide that the private foundation shall include in its annual return under this section such information (not required to be furnished by subsection (b) or the forms or regulations prescribed thereunder) as would have been required to be furnished under section 6056 (relating to annual reports by private foundations) as such section 6056 was in effect on January 1, 1979, and

(2) the foundation managers shall furnish copies of the annual return under this section to such State officials, at such times, and under such conditions, as the Secretary may by regulations prescribe.

Nothing in paragraph (1) shall require the inclusion of the name and address of any recipient (other than a disqualified person within the meaning of section 4946) of 1 or more charitable gifts or

grants made by the foundation to such recipient as an indigent or needy person if the aggregate of such gifts or grants made by the foundation to such recipient during the year does not exceed \$1,000.

(d) SECTION TO APPLY TO NONEXEMPT CHARITABLE TRUSTS AND NONEXEMPT PRIVATE FOUNDATIONS.—The following organizations shall comply with the requirements of this section in the same manner as organizations described in section 501(c)(3) which are exempt from tax under section 501(a):

(1) NONEXEMPT CHARITABLE TRUSTS.—A trust described in section 4947(a)(1) (relating to nonexempt charitable trusts).

(2) NONEXEMPT PRIVATE FOUNDATIONS.—A private foundation which is not exempt from tax under section 501(a).

(e) SPECIAL RULES RELATING TO LOBBYING ACTIVITIES.—

(1) REPORTING REQUIREMENTS.—

(A) IN GENERAL.—If this subsection applies to an organization for any taxable year, such organization—

(i) shall include on any return required to be filed under subsection (a) for such year information setting forth the total expenditures of the organization to which section 162(e)(1) applies and the total amount of the dues or other similar amounts paid to the organization to which such expenditures are allocable, and

(ii) except as provided in paragraphs (2)(A)(i) and (3), shall, at the time of assessment or payment of such dues or other similar amounts, provide notice to each person making such payment which contains a reasonable estimate of the portion of such dues or other similar amounts to which such expenditures are so allocable.

(B) ORGANIZATIONS TO WHICH SUBSECTION APPLIES.—

(i) IN GENERAL.—This subsection shall apply to any organization which is exempt from taxation under section 501 other than an organization described in section 501(c)(3).

(ii) SPECIAL RULE FOR IN-HOUSE EXPENDITURES.—This subsection shall not apply to the in-house expenditures (within the meaning of section 162(e)(4)(B)(ii)) of an organization for a taxable year if such expenditures do not exceed \$2,000. In determining whether a taxpayer exceeds the \$2,000 limit under this clause, there shall not be taken into account overhead costs otherwise allocable to activities described in subparagraphs (A) and (D) of section 162(e)(1).

(iii) COORDINATION WITH SECTION 527(F).—This subsection shall not apply to any amount on which tax is imposed by reason of section 527(f).

(C) ALLOCATION.—For purposes of this paragraph—

(i) IN GENERAL.—Expenditures to which section 162(e)(1) applies shall be treated as paid out of dues or other similar amounts to the extent thereof.

(ii) CARRYOVER OF LOBBYING EXPENDITURES IN EXCESS OF DUES.—If expenditures to which section 162(e)(1) applies exceed the dues or other similar

amounts for any taxable year, such excess shall be treated as expenditures to which section 162(e)(1) applies which are paid or incurred by the organization during the following taxable year.

(2) TAX IMPOSED WHERE ORGANIZATION DOES NOT NOTIFY.—

(A) IN GENERAL.—If an organization—

(i) elects not to provide the notices described in paragraph (1)(A) for any taxable year, or

(ii) fails to include in such notices the amount allocable to expenditures to which section 162(e)(1) applies (determined on the basis of actual amounts rather than the reasonable estimates under paragraph (1)(A)(ii)),

then there is hereby imposed on such organization for such taxable year a tax in an amount equal to the product of the highest rate of tax imposed by section 11 for the taxable year and the aggregate amount not included in such notices by reason of such election or failure.

(B) WAIVER WHERE FUTURE ADJUSTMENTS MADE.—The Secretary may waive the tax imposed by subparagraph (A)(ii) for any taxable year if the organization agrees to adjust its estimates under paragraph (1)(A)(ii) for the following taxable year to correct any failures.

(C) TAX TREATED AS INCOME TAX.—For purposes of this title, the tax imposed by subparagraph (A) shall be treated in the same manner as a tax imposed by chapter 1 (relating to income taxes).

(3) EXCEPTION WHERE DUES GENERALLY NONDEDUCTIBLE.—

Paragraph (1)(A) shall not apply to an organization which establishes to the satisfaction of the Secretary that substantially all of the dues or other similar amounts paid by persons to such organization are not deductible without regard to section 162(e).

(f) CERTAIN ORGANIZATIONS DESCRIBED IN SECTION 501(C)(4).—Every organization described in section 501(c)(4) which is subject to the requirements of subsection (a) shall include on the return required under subsection (a)—

(1) the information referred to in paragraphs (11), (12) and (13) of subsection (b) with respect to such organization, and

(2) in the case of the first such return filed by such an organization after submitting a notice to the Secretary under section 506(a), such information as the Secretary shall by regulation require in support of the organization's treatment as an organization described in section 501(c)(4).

(g) RETURNS REQUIRED BY POLITICAL ORGANIZATIONS.—

(1) IN GENERAL.—This section shall apply to a political organization (as defined by section 527(e)(1)) which has gross receipts of \$25,000 or more for the taxable year. In the case of a political organization which is a qualified State or local political organization (as defined in section 527(e)(5)), the preceding sentence shall be applied by substituting “\$100,000” for “\$25,000”.

(2) ANNUAL RETURNS.—Political organizations described in paragraph (1) shall file an annual return—

(A) containing the information required, and complying with the other requirements, under subsection (a)(1) for organizations exempt from taxation under section 501(a), with such modifications as the Secretary considers appropriate to require only information which is necessary for the purposes of carrying out section 527, and

(B) containing such other information as the Secretary deems necessary to carry out the provisions of this subsection.

(3) MANDATORY EXCEPTIONS FROM FILING.—Paragraph (2) shall not apply to an organization—

(A) which is a State or local committee of a political party, or political committee of a State or local candidate,

(B) which is a caucus or association of State or local officials,

(C) which is an authorized committee (as defined in section 301(6) of the Federal Election Campaign Act of 1971) of a candidate for Federal office,

(D) which is a national committee (as defined in section 301(14) of the Federal Election Campaign Act of 1971) of a political party,

(E) which is a United States House of Representatives or United States Senate campaign committee of a political party committee,

(F) which is required to report under the Federal Election Campaign Act of 1971 as a political committee (as defined in section 301(4) of such Act), or

(G) to which section 527 applies for the taxable year solely by reason of subsection (f)(1) of such section.

(4) DISCRETIONARY EXCEPTION.—The Secretary may relieve any organization required under paragraph (2) to file an information return from filing such a return if the Secretary determines that such filing is not necessary to the efficient administration of the internal revenue laws.

(h) CONTROLLING ORGANIZATIONS.—Each controlling organization (within the meaning of section 512(b)(13)) which is subject to the requirements of subsection (a) shall include on the return required under subsection (a)—

(1) any interest, annuities, royalties, or rents received from each controlled entity (within the meaning of section 512(b)(13)),

(2) any loans made to each such controlled entity, and

(3) any transfers of funds between such controlling organization and each such controlled entity.

(i) ADDITIONAL NOTIFICATION REQUIREMENTS.—Any organization the gross receipts of which in any taxable year result in such organization being referred to in subsection (a)(3)(A)(ii) or (a)(3)(B)—

(1) shall furnish annually, in electronic form, and at such time and in such manner as the Secretary may by regulations prescribe, information setting forth—

(A) the legal name of the organization,

(B) any name under which such organization operates or does business,

(C) the organization's mailing address and Internet web site address (if any),

- (D) the organization's taxpayer identification number,
 - (E) the name and address of a principal officer, and
 - (F) evidence of the continuing basis for the organization's exemption from the filing requirements under subsection (a)(1), and
 - (2) upon the termination of the existence of the organization, shall furnish notice of such termination.
- (j) LOSS OF EXEMPT STATUS FOR FAILURE TO FILE RETURN OR NOTICE.—
- (1) IN GENERAL.—
 - (A) NOTICE.—If an organization described in subsection (a)(1) or (i) fails to file the annual return or notice required under either subsection for 2 consecutive years, the Secretary shall notify the organization—
 - (i) that the Internal Revenue Service has no record of such a return or notice from such organization for 2 consecutive years, and
 - (ii) about the revocation that will occur under subparagraph (B) if the organization fails to file such a return or notice by the due date for the next such return or notice required to be filed.

The notification under the preceding sentence shall include information about how to comply with the filing requirements under subsections (a)(1) and (i).
 - (B) REVOCATION.—If an organization described in subsection (a)(1) or (i) fails to file an annual return or notice required under either subsection for 3 consecutive years, such organization's status as an organization exempt from tax under section 501(a) shall be considered revoked on and after the date set by the Secretary for the filing of the third annual return or notice. The Secretary shall publish and maintain a list of any organization the status of which is so revoked.
 - (2) APPLICATION NECESSARY FOR REINSTATEMENT.—Any organization the tax-exempt status of which is revoked under paragraph (1) must apply in order to obtain reinstatement of such status regardless of whether such organization was originally required to make such an application.
 - (3) RETROACTIVE REINSTATEMENT IF REASONABLE CAUSE SHOWN FOR FAILURE.—If, upon application for reinstatement of status as an organization exempt from tax under section 501(a), an organization described in paragraph (1) can show to the satisfaction of the Secretary evidence of reasonable cause for the failure described in such paragraph, the organization's exempt status may, in the discretion of the Secretary, be reinstated effective from the date of the revocation under such paragraph.
- (k) ADDITIONAL PROVISIONS RELATING TO SPONSORING ORGANIZATIONS.—Every organization described in section 4966(d)(1) shall, on the return required under subsection (a) for the taxable year—
- (1) list the total number of donor advised funds (as defined in section 4966(d)(2)) it owns at the end of such taxable year,
 - (2) indicate the aggregate value of assets held in such funds at the end of such taxable year, and

(3) indicate the aggregate contributions to and grants made from such funds during such taxable year.

(1) **ADDITIONAL PROVISIONS RELATING TO SUPPORTING ORGANIZATIONS.**—Every organization described in section 509(a)(3) shall, on the return required under subsection (a)—

(1) list the supported organizations (as defined in section 509(f)(3)) with respect to which such organization provides support,

(2) indicate whether the organization meets the requirements of clause (i), (ii), or (iii) of section 509(a)(3)(B), and

(3) certify that the organization meets the requirements of section 509(a)(3)(C).

(m) **ADDITIONAL INFORMATION REQUIRED FROM CO-OP INSURERS.**—An organization described in section 501(c)(29) shall include on the return required under subsection (a) the following information:

(1) The amount of the reserves required by each State in which the organization is licensed to issue qualified health plans.

(2) The amount of reserves on hand.

(n) **MANDATORY ELECTRONIC FILING.**—Any organization required to file a return under this section shall file such return in electronic form.

(o) **REQUIREMENT TO REPORT CERTAIN INFORMATION WITH RESPECT TO EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.**—*Each applicable educational institution described in section 4968(b) which is subject to the requirements of subsection (a) shall include on the return required under subsection (a)—*

(1) the number of students taken into account for purposes of the calculation in paragraph (1)(D) of section 4968(b) (determined before the application of paragraph (3) of such section), and

(2) the number of students taken into account for purposes of the calculation in paragraph (1)(D) of section 4968(b) (determined after the application of paragraph (3) of such section).

[(o)] (p) **CROSS REFERENCES.**—For provisions relating to statements, etc., regarding exempt status of organizations, see section 6001.

For reporting requirements as to certain liquidations, dissolutions, terminations, and contractions, see section 6043(b). For provisions relating to penalties for failure to file a return required by this section, see section 6652(c).

For provisions relating to information required in connection with certain plans of deferred compensation, see section 6058.

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VII. DISSENTING VIEWS

Committee Democrats oppose H.R. 8913. This bill, which modifies the formula for calculating the endowment tax, would serve to penalize colleges and universities that enroll foreign students.

Currently, the endowment tax is a 1.4 percent excise tax on the net investment income of private colleges and universities if they meet the following requirements: (1) the college or university has more than 500 tuition-paying students; (2) more than 50 percent of its tuition-paying students are located in the United States; (3) it is not a public college or university; and (4) it has assets valued at over \$500,000 per student.

The bill would change the endowment tax requirements from \$500,000 "per student" to \$500,000 "per U.S. student." More specifically, this bill amends Internal Revenue Code Section 4968 to exclude "certain students" in the calculation of the amount of endowment per student. These "certain students" are those that "are a citizen or national of the United States, a permanent resident of the United States, or able to provide evidence from the Immigration and Naturalization Service that he or she is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident." To avoid triggering the endowment tax, colleges and universities may substantially decrease the number foreign students they accept going forward.

Our nation's higher education is strengthened by diversity. International students have unique perspectives and experiences that enrich U.S. universities, their surrounding communities, and our scientific and other accomplishments around the world. It would be a shame if Congress, through the tax code, sought to discourage schools from providing such a diverse, multi-cultural environment for their student body.

For these reasons, we oppose this bill.

RICHARD E. NEAL.

DISSENTING VIEWS

Antisemitism, like all forms of discrimination, is absolutely unacceptable. Whether on college campuses or anywhere in our society, there is no excuse for hatred and bigotry. Tackling these problems requires Congress to work together on serious proposals to protect against discrimination and uphold civil rights. That's what we did when we passed the COVID-19 Hate Crimes Act during the pandemic, and it is what the House can do now by passing bills like H.R. 7921, the bipartisan Countering Antisemitism Act, led by Representatives Kathy Manning and Chris Smith.

But instead of protecting victims of hate, this bill would simply blame campus unrest on supposed foreign agitators, and use this as an excuse to punish institutions that enroll international students—*regardless* of where they come from. Scapegoating these students does not represent a solution to antisemitism or other forms of discrimination. In fact, it does the exact opposite by blaming all foreigners for society's ills. This is a fearmongering tactic that has been used throughout history, and never with the goal of reducing hatred and bigotry. It sadly reflects the same xenophobia that led to shameful policies like the Chinese Exclusion Act and Trump's Muslim Ban.

And this bill does not restrict its punishment to schools who enroll international students. By limiting the definition of students who count as full-time equivalents to only those who qualify for federal student aid, it would categorize DACA recipients the same as international students. These are young people who were brought to this country as children and have no other country to call home, yet this bill labels them as foreigners and punishes the institutions that give them a chance to further their education.

International students and DACA recipients are not our enemies, and punishing universities for educating them will only hurt us. During the 2022–2023 academic year, U.S. colleges and universities hosted more than a million international students who contributed more than \$40 billion to the U.S. economy. They include countless talented individuals who choose to come to the United States to study with the goal of finding a job, contributing to our economy, and making our country their home. I am proud to represent many of these students at institutions Caltech in my district, where international students work on the cutting edge of science and technology and help to make our economy the best in the world.

This is a misguided bill that would only make our country weaker. I urge my colleagues to vote no.

JUDY CHU.

