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Endowment Tax

- Our endowment is different. Emory has affiliated organizations whose exempt purpose is to support or operate hospitals and healthcare entities. Assets of these organizations are restricted for use in healthcare facilities and clinics, and yet, they trigger an endowment tax liability for Emory due to its unique structure.
- While Emory considers partnerships with other universities to reduce or eliminate endowment tax liability in tax legislation this year, the university's official position is that Emory should not be subject to the endowment tax, and if an exemption for Emory's unique endowment structure is untenable, the tax should be repealed.
- **Lowered the endowment tax to 4 percent after an initial proposed rate of 7 percent. OGCA is continuing to look for relief from the tax through the regulatory process.**

Tax-Exempt Status

- To maintain its tax-exempt designation, Emory delivers a wide range of benefits to the communities we serve, including charitable care and other financial assistance programs.
- Revoking the nonprofit status of hospitals would preclude health systems like Emory from providing these services to patients in our community who need them the most.
- Similarly, universities rely on their nonprofit status to offer educational opportunities that the federal government recognizes as vital to citizens' productivity and civic capacity.
- **No changes were made in the reconciliation bill.**

UBIT

- Emory supports the current unrelated business income tax (UBIT) system that differentiates UBI from income related to the mission of Emory and its healthcare system, the latter of which students and patients rely on for financial assistance, research funding, and a host of other programs and services Emory can offer because of its tax-exempt status.
- **No changes were made in the reconciliation bill.**

Tax-Exempt Bonds

- Bonds are an important financing tool for universities, and lawmakers should maintain the tax-exempt status of municipal bonds.
- **No changes were made in the reconciliation bill.**

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If you have questions or comments contact Jessica Davis at jessica.ann.davis@emory.edu

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Tax Exclusion for Scholarships and Fellowships

- Current law allows universities to offer tuition waivers and reductions to graduate students, employees, spouses, and dependents that are excluded from taxable income.
- Emory opposes efforts to tax tuition waivers and/or reductions, as a tax on this financial assistance would effectively work as a tax on unrealized income for graduate students and others who are eligible for this benefit.
- **No changes were made in the reconciliation bill.**

Tax Benefits for Student Loan Interest

- Emory is committed to expanding financial aid opportunities for all students, but some students still choose to take out loans to cover the remaining cost of tuition.
- Currently, individuals with student loans can deduct up to $2,500 of interest paid on those loans from their taxable income, providing them with added support to pay for college.
- **No changes were made in the reconciliation bill.**

529 Plans

- A 529 plan is a tax-advantaged plan that allows individuals to save for college and other post-secondary training, or for tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school for a designated beneficiary.
- The tax advantages of 529 plans should remain in place to help families save for college and other qualifying education and training opportunities.
- **No changes were made in the reconciliation bill.**

Tax Exclusion for Employer-Paid Transportation Benefits

- Employers such as Emory University and Emory Healthcare should be able to continue providing transportation benefits—like parking and public transit passes—that are excluded from employees' taxable income.
- **No changes were made in the reconciliation bill.**

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