



AMERICAN STATISTICAL ASSOCIATION  
Promoting the Practice and Profession of Statistics®

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December 11, 2017

Senator Mitch McConnell  
Senate Majority Leader  
United States Senate  
Washington, DC 20510

Senator Charles Schumer  
Senate Democratic Leader  
United States Senate  
Washington, DC 20510

The Honorable Paul Ryan  
Speaker of the House  
United States House of Representatives  
Washington, DC 20515

The Honorable Nancy Pelosi  
House Minority Leader  
United States House of Representatives  
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Ryan, and Leader Pelosi,

On behalf of the American Statistical Association (ASA) and its Caucus of the Academic Representatives—consisting of the heads of more than one hundred U.S.-based undergraduate and graduate programs in Statistics and Biostatistics—we are writing to strongly oppose the provision in the Tax Cuts and Jobs Act (H.R. 1) that would eliminate Section 117(d) of the Internal Revenue Service (IRS) code, and urge Congress to preserve the tax exemption for undergraduate and graduate student tuition waivers. Section 117(d) exempts tuition waivers from taxable income for both undergraduate and graduate students. In particular, Section 117(d)(5) exempts tuition waivers from taxable income for graduate students who serve as teaching or research assistants, and Section 117(d)(1) provides tuition waivers for undergraduate students who are dependents of university employees, which greatly assists lower and middle-income students in attending universities they would not otherwise be able to afford.

According to American Council on Education analysis<sup>1</sup> of 2011-2012 Department of Education data, 60 percent of the 145,000 graduate students receiving tuition waivers were in science, technology, engineering, and math (STEM) programs, including biostatistics and statistics. Ensuring that the U.S. will be able to continue to attract, train and retain the most talented people in science careers is essential to creating a dynamic and thriving scientific enterprise and growing our economy. In particular, job growth projections by the Bureau of Labor Statistics through 2026 show that the fields of statistics, biostatistics and data science more broadly represent one of the top categories of job growth in the country. In order for the U.S. to remain competitive in the global market, it is

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<sup>1</sup> <http://www.acenet.edu/advocacy/PublishingImages/CUPA-Tuition-Reduction-graphic.pdf>

absolutely critical for young people to be able to pursue training in these areas at the undergraduate and graduate levels. The repeal of IRS Section 117(d) significantly reduces the ability of domestic students to pursue higher education by decreasing the financial viability of pursuing an advanced degree. Taxing tuition waivers would put such education out of reach for a diverse spectrum of talented students, including but not limited to those that come from middle and working class backgrounds.

Importantly, changes in the tax code that create financial hardships for students pursuing higher education, particularly so graduate education, also threaten to erode the U.S.'s role as a world leader in research. Providing tuition remission allows universities and colleges to reduce the cost of graduate education for students who teach or conduct research as part of their training. Repealing Section 117(d) of the IRS code would substantially increase the tax liability for many tens of thousands of graduate students, most of whom have modest incomes: more than half (55 percent) of all Master's and PhD candidates had adjusted gross incomes of \$20,000 or less. In short, taxing tuition waivers would create a tremendous financial hardship for all but the wealthiest students. We believe that it is counter-productive—indeed, deeply unfair—to ask them to shoulder such a disproportionate tax burden.

For all of the reasons above, the ASA and the leaders of the nation's departments of statistics and biostatistics urge Congress to preserve Section 117(d) of the IRS code, providing an important and valued tax exemption for undergraduate and graduate student tuition waivers.

Sincerely,



Barry D. Nussbaum  
President, American Statistical Association



Robert Strawderman  
Chair, ASA Caucus of Academic Representatives

Cc: House Ways and Means Committee  
Senate Finance Committee