

THE COALITION TO PRESERVE
EMPLOYER PROVIDED
EDUCATION ASSISTANCE



July 14, 2017

The Hon. Orrin Hatch
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Bldg.
Washington, DC 20510

The Hon. Ron Wyden
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Bldg.
Washington, DC 20510

Dear Chairman Hatch and Ranking Member Wyden,

We offer the following submission in response to your invitation to submit comments on tax reform options. On behalf of the undersigned organizations, we write in support of maintaining and strengthening IRC Sec. 127 – employer-provided education assistance – in any upcoming tax package. We represent the broad and diverse Coalition to Preserve Employer-Provided Education Assistance (Sec. 127 Coalition) comprised of higher education, business, and labor organizations.

Sec. 127 is a popular employer-provided benefit that enjoys bipartisan support. Sec. 127 allows an employee to exclude from income up to \$5,250 per year in assistance for any type of educational course at the undergraduate and graduate level. Employers are not required to provide assistance under Sec. 127, however, if an employer chooses to do so, the benefit must be offered to all employees on a non-discriminatory basis that does not favor the highly compensated.

Sec. 127 was enacted as an expiring tax benefit in 1978, and unfortunately, the benefit amount of \$5,250 annually has not been increased in almost 40 years. At the time, the benefit was intended to allow employers to completely cover the cost of higher education. It remained an expiring provision until it was finally made permanent in the so-called Fiscal Cliff agreement in early 2012.

In the last session of Congress, bills in both the House and Senate sought to expand and improve the benefit by increasing the \$5,250 limit, expanding the eligible uses to include loan repayment, and allow the benefit to be available to spouses and children of employees. The Sec. 127 Coalition supports these efforts.

Simplification of the higher education benefits was largely achieved in the Omnibus Appropriations Bill in 2015 when the American Opportunity Tax Credit was made permanent. If further efforts are made by Congress to consolidate or replace benefits, we strongly urge the preservation of Sec. 127.

This benefit is an important tool for employers to attract the best possible employees and build a skilled workforce, it is not a benefit largely used by traditional students, but rather students working to build their skills while also employed.

Sec. 127 plays a critical role in maintaining U.S. competitiveness and could, if strengthened, become the premier employee benefit for tuition assistance and loan repayments among employers.

Thank you for your assistance in maintaining and strengthening this critical tax benefit.

Sincerely,

Members of the Section 127 Coalition:

American Association of College Registrars
American Association of Community Colleges
American Association of State Colleges and Universities
American Association of University Professors
American Council on Education
American Federation of State, County and Municipal Employees
American Federation of Teachers
American Society for Engineering Education
American Society for Training & Development
Asbury College
Associated General Contractors of America
Association for Talent Development
Association of Public and Land-grant Universities
Association of American Universities
Association of Community College Trustees
Association of Jesuit Colleges and Universities
Bellarmine University
Bellevue University
Brescia University
College & University Professional Association for Human Resources
College Bound
Cornell University
Corporate Voices for Working Families
Council for Adult and Experiential Learning
Council of Graduate Schools
Creighton University
Dobler College Consulting
Duke University
Edlink, LLC
Emory University
Fresno Pacific University

Government Finance Officers Association
Guidance Gurus
Hartford Consortium for Higher Education
Harvard University
Hewlett-Packard
Hope College
Information Technology Industry Council
Institute of Electric and Electronics Engineers
International Public Management Association for Human Resources
John Carroll University
Lehigh University
Loyola University
Marquette University
Mercer University
MetroHartford Alliance
National Association of Colleges and Universities Business Officers
National Association of Graduate Professional Students
National Association of Independent Colleges and Universities
National Association of Independent Schools
National Council for Advanced Manufacturing
National Public Employer Labor Relations Association
National Semiconductor
National Tooling and Machining Association
Neumann University
New York University
North American Die Casting Association
Pace University
Princeton University
Precision Machined Products Association
Rochester Institute of Technology
Seton Hall University
Society for Human Resource Management
Starbucks
St. John's College
St. John's University
Syracuse University
TechAmerica
Texas Instruments
The ERISA Industry Committee
The George Washington University
The Precision Metalforming Association
Training Solutions, Inc.
United Auto Workers
United Technologies Corporation
University Continuing Education Association
University of Michigan

University of Pennsylvania
University of Rochester
Vanderbilt University
Verizon
Webster University
Yale University
Zmarketees, Inc.