

House GOP Tax Cut Swindle: A Huge Tax Hike on Grad Students

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It's shocking but true. You can't make this stuff up. College and grad school students already are drowning in debt.

During my higher education years in the 1950s, the student loan racket didn't exist. It wasn't needed. Affordable tuition and expenses meant students could complete their education debt free.

Good jobs were plentiful, long before offshoring to low-wage countries created today's deplorable conditions - well-educated graduates denied opportunities afforded me, many debt-entrapped, unemployed, way underemployed or unable to find work in their chosen fields.

The House GOP tax cut swindle makes a bad situation far worse, including "a giant tax hike on graduate students," CNBC reported, explaining:

"Some programs provide graduate students with a modest stipend for food and housing."

"For instance, Ryan Hill, a fourth-year Ph.D. student at MIT, receives a \$30,000 living stipend and a tuition waiver, allowing him to forego paying \$50,000 in tuition."

"He currently pays taxes on his \$30,000 stipend, but under the House...tax bill, his tuition waiver would also be taxed - meaning he would be taxed as if he was earning \$80,000 a year."

MIT doctoral candidate Tamar Oostrom said federal taxes for her and fellow grad students would increase up to 400%, calling it "absolutely crazy." She and others in her class are "shocked."

Many grad students work as instructors or conduct research in return for free tuition. The

American Council on Education estimates about 145,000 grad students benefit this way.

House Republicans voted to end the tuition reduction exemption along with more harmful provisions for most Americans – by passing a giant giveaway to corporate predators and super-rich households.

The Harvard Crimson said taxes on university grad students “could increase almost four-fold, citing a tax law expert.

The House bill repeals the “qualified tuition reduction” universities like Harvard afford their employees and paid grad students.

“Harvard currently provides full tuition support to all Ph.D. students and some Master’s students, giving roughly \$45,000 per year to each student, though that amount decreases to roughly \$12,000 after the first two years of a Ph.D. program,” the Crimson explained.

According to Law Professor Patrick Thomas, Harvard grad students receiving a \$35,000 stipend could see their federal tax burden increase from about \$3,300 to \$12,000 under the GOP House plan.

Harvard doctoral candidates could owe in federal and state taxes almost half of the stipend benefit they receive – creating too great a burden for many to bear.

National Association of Graduate-Professional Students legislative director Samantha Hernandez said she “monitor(s) all legislation at the state and federal levels that could affect graduate and professional students.”

The House GOP bill “would have the greatest negative impact of anything (she’s) seen.” It would make graduate study unaffordable for most students whose families aren’t rich..

The Senate measure to be voted on after Thanksgiving doesn’t repeal the “qualified tuition reduction.”

Both congressional versions are huge windfalls for corporate predators and super-rich households – at the expense of ordinary people struggling to get by.

Trump’s “middle class miracle” is nightmarish for ordinary people – what I called the great American tax swindle in a separate article.

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