The Tax Cuts and Jobs Act
The Impact on Students

Provision	Description	The House Bill	The Senate Bill
Sec. 117(d) Qualified Tuition Reductions	Currently, tuition waivers, remissions, or reductions are not taxable income.	Repealed (Sec. 1204) Would result in tuition money being considered taxable income.	Not affected
Student Loan Interest Deduction	Currently, there is a maximum deduction $2,500 for adjusted incomes taxpayers based on adjusted income. Incomes that qualified last year were joint filings under $165,000 and single filings under $80,000.	Repealed (Sec. 1204)	Not affected
Sec. 127 Employer Education Assistance	Currently, employer-provided education assistance upto $5,250 per annum is excluded from taxable income.	Repealed (Sec. 1204)	Not affected
Lifetime Learning Credit (LLC)	Currently, $2,000 per annum worth of LLC are provided.	Repealed (Sec. 1201) Consolidates it with American Opportunity Tax Credit (AOTC)	Not affected
Hope Scholarship (HSC)	Currently, $2,500 per annum worth of HSC is provided.	Repealed (Sec. 1201) Consolidates it with AOTC	Not affected
AOTC	Currently, AOTC provides 100-percent tax credit for $2,500 per annum for a period upto four years	Modified (Sec. 1201) The new AOTC would provide 100-percent tax credit for for $2,000 for the first four years. Would also be available for a fifth year at $1,000.	*Amendment pending*

Tuition & Related Expenses	Currently, a taxpayer whose adjusted income is not above $65,000 could claim a deduction worth $4,000 for tuition and related expenses. For an individual whose adjusted income is not above $80,000, the deduction was worth $2,000.	Repealed (Sec. 1204)	Not affected
Interest on US Savings Bond	Currently, interest on United States Savings bond is excluded from taxable income if used to pay for qualified higher education expenses.	Repealed (Sec. 1204).	Not affected

If you have any questions, please contact legislative@nagps.org, or advocacy@nagps.org.