



ACSI Statement on Final Passage of Tax Reform December 20, 2017

The House passed (224 – 201) the updated Senate version of the *Tax Cuts and Jobs Act* on December 20, 2017, as expected. This is the final legislative step in the process and the bill will be signed into law by President Trump soon.

The overall outcome is good for Christian schools. Four key priorities identified by ACSI are in the final bill – a very positive result:

- **Section 117(d).** The final bill preserves **tax-free** tuition remission for employees and dependents.
- **Section 127(a).** The final bill preserves **tax-free** educational assistance for employees up to \$5250 annually.
- **Teacher Tax Deduction.** The final bill preserves current law which provides an above-the-line \$250 deduction for out-of-pocket educator expenses for professional development or instructional materials.
- **529 Savings Accounts.** The final bill expands 529 Savings Accounts to include costs related to elementary and secondary education.

ACSI fought hard for these priorities and more. We visited Members and staff; we joined coalition letters to Congress; participated actively in coalitions; reached out to Regional Directors whose district representatives were asked to personally contact key Senators; and, most importantly, we urged the wider Christian school community to contact their legislators at the key moment. ACSI's Voter Voice email campaign generated nearly 9,000 contacts to Congress, the President and Vice President.

Clearly, the Christian school community contacting their Members of Congress made a difference. For example, the Cruz amendment to expand 529 Savings Accounts won the day only because Vice President Mike Pence dramatically broke a tie vote. **ACSI takes this opportunity to thank Sen. Ted Cruz (R-Texas) for his leadership in expanding 529 Savings Accounts to include K-12 expenses.**

The final bill is not perfect. The *Tax Cuts and Jobs Act* preserves the charitable deduction, but even so, effectively eliminates it for 95% of taxpayers. That is expected to hurt charitable giving which could drop by roughly 4% to 6.5% according to studies by Indiana University and the Tax Policy Center. ACSI, as a years-long participant in the Charitable Giving Coalition, fought for a universal charitable deduction which, ultimately, was not included. **ACSI thanks Sen. James Lankford (R-Oklahoma) for his leadership in working to offer an amendment creating a universal charitable deduction.** Despite a great deal of hard work, the amendment did not survive; a real disappointment.

The bottom line: the measure overall is positive for K-12 schooling because of the 529 expansion and preservation of tax-free benefits. We will continue to fight for a universal charitable deduction. **Most importantly, ACSI thanks its member-school communities for contacting their Members of Congress.** We are Stronger Together.

ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

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