



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.