

November 7, 2017

Hon. Kevin Brady
Chairman, Ways and Means Committee
U.S. House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

Via Facsimile: 202.225.5524

Dear Chairman Brady:

As young public office holders in Rhode Island, we are concerned with the negative impacts that H.R. 1, the so-called "Tax Cuts and Jobs Act," will have on younger Americans. The bill represents a massive tax increase on many young people in Rhode Island, while benefitting the wealthiest Americans and dramatically reducing taxes paid by corporations.

Representing over 83 million Americans, the Millennial generation constitutes more than one quarter of our nation's population. Millennials came of age during the Great Recession, continue to serve our country overseas, volunteer in our communities, and struggle with a student loan crisis. Nevertheless, our generation has persevered in the face of these challenges.

This bill, introduced by House Republicans, seeks to penalize our generation at a time when we can least afford it and will increase taxes on Americans of the Millennial generation in the following ways:

- **Eliminating the deduction on student loan interest**

The escalating cost of higher education is a national crisis. Sixty percent of college graduates have student loan debt and Rhode Island has the second highest student debt burden in the United States. H.R. 1 would eliminate the ability of Rhode Islanders to deduct up to \$2,500 of student loan interest annually from their federal tax filing.

- **Taxing college and university endowments, leading to higher tuition and less financial aid**

H.R. 1 would tax the endowments of many colleges and universities - for the first time ever. This new tax will be passed on to young people in the form of higher tuition and less assistance with financial aid for deserving students. Local institutions that Republicans in Congress have proposed to tax include Boston College, Brown University, College of the Holy Cross, Wheaton College and Clark University.

- **Eliminating the Rhode Island Housing first-time homebuyer tax credit**

Millennials, already burdened by student loan debt, are reaching the age where we are beginning to purchase homes for the first time. H.R. 1 would eliminate tax exemption for private activity bonds, which are a vital tool used by Rhode Island Housing to provide first-time homebuyer tax credits that have benefited 3,000 Rhode Island families since 2014.

- **Raising interest rates on student loans**

Elimination of tax exempt private activity bonds will also severely hamper the ability of the Rhode Island Student Loan Authority (RISLA), which provides \$55 million in low cost, fixed rate loans each year, to continue offering affordable student loans to Rhode Islanders.

- **Expanding the deficit by \$1.5 trillion**

Even with these tax increases on young Americans, the Republican tax plan is projected to expand the federal deficit by \$1.5 trillion over ten years due to massive tax cuts on corporations and by eliminating the estate tax on inheritances worth more than \$5 million. This deficit will, undoubtedly, be paid for by future generations in the form of higher taxes and cuts to vital services.

While we agree on the need for common-sense tax reform, H.R. 1 is short-sighted and unsustainable. We urge Congress to reject this proposal in its current form, and fight for fair tax treatment for all Americans - regardless of age.

Sincerely,

Seth M. Magaziner

General Treasurer, State of Rhode Island

Adam J. Satchell

Rhode Island State Senator (District 9)

Ryan W. Pearson

Rhode Island State Senator (District 19)

J. Aaron Regunberg

Rhode Island State Representative (District 4)

Joseph J. Solomon, Jr.

Rhode Island State Representative (District 22)

Evan P. Shanley

Rhode Island State Representative (District 24)

Shelby Maldonado

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CC: Hon. John F. Reed
Hon. Sheldon Whitehouse
Hon. David N. Cicilline
Hon. James R. Langevin