

# SB-54

To reform the "University Investment Tax" found within the "Tax Cuts and Jobs Act" of 2018 with regard to its scope of application and modernization.

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## IN THE SENATE OF THE AMERICAN LEGION BOYS NATION

Mr. Fernald of Massachusetts introduced the following bill;

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## A BILL

To reform the "University Investment Tax" found within the "Tax Cuts and Jobs Act" of 2018 with regard to its scope of application and modernization.

*Be it enacted by The American Legion Boys Nation Senate assembled,*

### **SECTION 1. SHORT TITLE.**

This Act may be cited as the "Reform of University Investment Tax Act (RUITA)".

### **SECTION 2. Reforming the "University Investment Tax" clauses of the "Tax Cuts and Jobs Act of 2018 (TCJA)".**

Modify the TCJA so that each specified university, which meets a certain ratio of endowment per population of students, shall be subject to an income tax consistent with that of any other domestic corporation.

1. A specified university is any secondary institution of higher learning with a student body of five hundred students or more and endowments in excess of \$250,000.

a) This Act shall reduce the prior minimum endowment per student from \$500,000 to \$250,000, thus increasing the current scope of specified universities in 2023 from thirty-two to sixty-four.

2. The minimum value of endowment per student set at \$250,000 shall be reviewed and adjusted periodically to account for inflation.

a) This shall ensure this tax applies only to specified universities with a high endowment per student ratio.

3. This act shall replace the 1.4% excise tax on investment income with an income-based tax.

a) Income generated on endowments of specified universities shall be taxed at a rate consistent with the income tax of domestic corporations.

### **SECTION 3. TERMINATION**

This Act will generate revenue indefinitely.