



October 31, 2017

Chairman Orrin Hatch  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510-6200

Dear Chairman Hatch:

On behalf of the 60 leading U.S. research universities of the Association of American Universities, I write regarding the tax reform legislation you are developing. I commend your commitment to strengthening our civil society through charitable giving, and I urge you to exclude any proposal that would limit or tax university endowments.

AAU universities share your view that tax reform presents an opportunity to preserve strong incentives for individuals and corporations to give to charitable causes that bolster our society and complement state and federal government support for public goods like higher education. Charitable giving now and in the future is critical to the ability of research universities to achieve their educational missions of teaching, research, and public service.

We are concerned, however, by reports that the tax writing committees are considering including a provision on university endowments. Recent proposals to tax nonprofit university endowments or limit certain charitable donations to endowments would harm universities' ability to serve the public good. Endowments support substantial student aid and student services, and also provide reliable, long-term funding for strong teaching programs, cutting-edge medical and other research, new technologies, and for building and maintaining classrooms, labs, libraries, and other facilities. All of these assets, taken together, help universities not only better serve students, but also respond to the changing needs of their communities and American society as a whole.

I ask you, as you move forward with tax reform, to ensure that the tax code continues to strongly incent charitable giving and to preserve universities' ability, through their endowments, to serve students and society.

Sincerely,

A handwritten signature in cursive script that reads "Mary Sue Coleman".

Mary Sue Coleman  
President