

November 28, 2017

The Honorable Paul D. Ryan
The Speaker of the House of Representatives
United States Capitol
Washington, D.C. 20515

The Honorable Kevin Brady, Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Speaker and Chairman Brady:

We are writing to you as the leaders of The Minerals, Metals, & Materials Society (TMS), a nonprofit association that dates back to 1871. TMS is an individual membership organization of 13,000 materials scientists and engineers from around the world, but primarily the United States. Our membership comprises mostly of PhDs, many of whom work to support the American economy in fields such as national defense, consumer products, energy, science, and education. TMS members make industry more efficient and profitable, add innovation and direction to our marketplace economy, and educate the next generation of scientists and engineers. We also count many graduate and undergraduate students from the country's great universities and colleges among our members.

TMS is deeply concerned that, if enacted, H.R. 1, the Tax Cuts and Jobs Act of 2017, would detrimentally impact the fields in which we work by creating a barrier to entry into graduate-level educational institutions for advanced training and education in the science, technology, engineering and mathematics (STEM) fields. As passed by the U.S. House of Representatives, H.R. 1 would repeal the current tax-exempt status of Qualified Tuition Reductions (QTR). QTRs help defray the costs of an advanced degree for Research Assistants and Teaching Assistants. The repeal of the tax-exempt status of QTRs would have immediate and long-term impacts to students. By changing the tax rules on current students, the provision would raise taxes across the board for every student enrolled in a program receiving QTR support. In many situations, such a drastic policy shift would raise taxes on students beyond their ability to pay, forcing students out of their programs.

In the long term, repealing the current tax-exempt status of QTRs would create a disincentive for pursuing specialized advanced degrees in the STEM fields, such as a Master of Sciences degree or a Ph.D. in Materials Science and Engineering. Additionally, any barrier to entry into these critical 21st Century fields would also serve to limit the growth of those fields over time. At this crucial point in American history, the United States should be incentivizing and promoting career growth in the STEM fields, not hindering it.

Science and technology are central to both the challenges and opportunities that America faces in the 21st Century. These fields are changing our economy, and many of the fastest growing jobs in the country require training in STEM education and research. Despite the expanding opportunities, the United States is not producing enough qualified STEM graduates to meet our workforce needs. Furthermore, U.S. technological leadership faces significant pressure as other nations are increasing their research investments.

As Congress continues to debate comprehensive tax reform, we urge you to reconsider the repeal of the current tax-exempt status of QTRs. Congress should reconsider the immediate impact the repeal would have on current students. Congress should not force current students into life-altering decisions on the fly. As a matter of public policy, it is also important that the United States retain its global technological advantage by not placing barriers to advanced degrees on prospective students who will eventually lead their respective fields into the future.

November 28, 2017

Page 2

The science and engineering programs in American universities hold a preeminent position in the world. As a country we need to do all we can to maintain academic leadership in these programs, and keeping the tax-exempt status of QTRs is part of maintaining that leadership. The success of our American economy in creating new technologies and associated jobs depends on it.

Most respectfully,



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cc: The Honorable Sam Johnson
The Honorable Devin Nunes
The Honorable Pat Tiberi
The Honorable Dave Reichart
The Honorable Peter Roskam
The Honorable Vern Buchanan
The Honorable Adrian Smith
The Honorable Lynn Jenkins
The Honorable Erik Paulsen
The Honorable Kenny Marchant
The Honorable Diane Black
The Honorable Tom Reed
The Honorable Mike Kelly
The Honorable James B. Renacci
The Honorable Patrick Meehan
The Honorable Kristi Noem
The Honorable George Holding
The Honorable Jason Smith
The Honorable Tom Rice
The Honorable David Schweikert
The Honorable Jackie Walorski
The Honorable Carlos Curbelo
The Honorable Mike Bishop