Dear Speaker Ryan, Majority Leader McConnell, Chairman Hatch and Chairman Brady:

As you work to negotiate final tax reform legislation, the Infectious Diseases Society of America (IDSA) would like to call to your attention to two provisions, one from the House-passed bill and one provision that was considered in the Senate, that we oppose and urge you to reject in the final bill. First, in the House bill, we oppose the clause treating waived tuition as taxable income for PhD students. Second, we oppose a provision in an earlier version of the Senate bill that would have subjected royalty non-profit revenues to tax, and we are grateful this provision was dropped from the legislation prior to Senate passage. We also urge you to act immediately to prevent tax reform legislation from triggering automatic cuts to Medicare and the elimination of the Prevention and Public Health Fund.

IDSA is committed to fostering the next generation of researchers who will lead breakthroughs in the prevention, diagnosis, and treatment of infectious diseases. We have been proud to support bipartisan congressional efforts to support young scientists, including the 21st Century Cures Act and increased funding for the National Institutes of Health. However, those initiatives still rely upon an educational system designed to support higher learning. Specifically, many academic institutions currently waive some or all of PhD student tuitions in exchange for research or teaching commitments. This waiver is essential to make PhD training affordable. Unfortunately, the House-passed tax reform bill would treat waived tuition as taxable income for these students. We are distressed that the provision would put graduate education out of reach for most promising individuals, deplete the pipeline of new scientists, and leave the nation without the necessary expertise to remain the world’s leader in biomedical research.

IDSA shares the concerns of many other non-profit organizations regarding a provision considered by the Senate that would subject royalties received by non-profits for the use of their name or logo to unrelated business income tax. Such royalties are an essential part of revenue for many non-profits that can be reinvested in activities to support our missions, including education and research. We are pleased that this provision was not included in the Senate-passed measure and urge you to exclude it from final legislation.
Finally, IDSA is alarmed that unless Congress overrides current law requiring automatic spending cuts to offset significant increases to the deficit, the tax reform bill will trigger automatic cuts to Medicare of up to $25 billion and the elimination of the Prevention and Public Health Fund. The Fund provides over 12 percent of the Centers for Disease Control (CDC) and Prevention budget and delivers support for immunizations programs, programs to reduce health care-associated infections, as well as the CDC’s epidemiology and laboratory capacity.

We understand that you must balance multiple priorities as you develop a final tax reform plan. We hope that your legislation will appropriately recognize the vital importance of biomedical researchers, non-profit organizations, Medicare and public health funding to our nation’s health and security.

Sincerely,

[Signature]

Paul A. Auwaerter, MD, MBA, FIDSA
President, IDSA