

December 4, 2017

The Honorable
U.S. House of Representatives
Washington, DC 20515

Dear Representative,

ATPE is the largest association representing professional educators in the State of Texas, with over 105,000 members, and the largest independent educator association in the country. We write to you today with concerns about how provisions in H.R. 1, The Tax Cuts and Jobs Act, will affect public educators and the students they serve. Specifically, we ask that as the House and Senate conference to reconcile differences in their respective versions of the bill, conferees retain the Senate approach to the treatment of Unrelated Business Income Tax and the Educator Expense Deduction.

Unrelated Business Income Tax (UBIT):

The Teacher Retirement System of Texas (TRS) is a primary, and in many instances the only, source of retirement income for hundreds of thousands of retired teachers. Retiree pension benefits are already subject to normal income tax. Weakening the financial soundness of the TRS trust fund by subjecting it to new additional tax liability on the front end, in addition to the taxes already paid by individual retirees, is a cost that neither the State of Texas nor the teachers who spent their working years serving our state can afford. We ask that the conferees take the Senate approach and forgo inclusion of the House language applying the UBIT to public pension investments.

Educator Expense Deduction:

The Educator Expense Deduction (currently set at \$250) is a nominal, but meaningful provision of the current tax code that prioritizes students and educators across the country. While not the ideal approach to filling budget shortfalls or equalizing access to supplies and materials among students, the deduction offers some form of reimbursement to educators who dip into their own pockets to purchase materials for students, classrooms, and schools that might otherwise go without. The House passed bill would eliminate this important deduction while the Senate version would double it to \$500. We ask that the conferees take the Senate approach and include in the conference agreement the language doubling the educator expense deduction; or at a minimum, retain the current \$250 deduction.

Please take time to contact your colleagues on the conference committee and in congressional leadership to support the Senate approach on these two issues. Thank you and please do not hesitate to contact me with any questions or concerns regarding this request.

Sincerely,

Jennifer M. Canaday, CAE
Governmental Relations Director

Your Ally. Your Voice.

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