

# Union Calendar No. 798

118<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 8913

[Report No. 118-949]

To amend the Internal Revenue Code of 1986 to exclude certain students from the calculation to determine if certain private colleges and universities are subject to the excise tax on net investment income, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 2, 2024

Mr. FERGUSON (for himself, Mr. KELLY of Pennsylvania, Mrs. MILLER of West Virginia, Mr. MURPHY, Mr. KUSTOFF, Ms. TENNEY, Mr. MOORE of Utah, Ms. MALLIOTAKIS, and Ms. STEFANIK) introduced the following bill; which was referred to the Committee on Ways and Means

DECEMBER 24, 2024

Additional sponsor: Mr. SMITH of Nebraska

DECEMBER 24, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on July 2, 2024]

# **A BILL**

To amend the Internal Revenue Code of 1986 to exclude certain students from the calculation to determine if certain private colleges and universities are subject to the excise tax on net investment income, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Protecting American*  
5 *Students Act”.*

6 **SEC. 2. CERTAIN STUDENTS NOT TAKEN INTO ACCOUNT**  
7 **FOR PURPOSES OF CALCULATION TO DETER-**  
8 **MINE IF CERTAIN PRIVATE COLLEGES AND**  
9 **UNIVERSITIES ARE SUBJECT TO EXCISE TAX**  
10 **ON NET INVESTMENT INCOME.**

11 *(a) IN GENERAL.—Section 4968(b) of the Internal*  
12 *Revenue Code of 1986 is amended by adding at the end*  
13 *the following new paragraph:*

14 *“(3) CERTAIN STUDENTS NOT TAKEN INTO AC-*  
15 *COUNT IN DETERMINING ENDOWMENT THRESHOLD.—*  
16 *For purposes of paragraph (1)(D), a student shall not*  
17 *be taken into account with respect to an eligible edu-*  
18 *cational institution unless such student meets the stu-*  
19 *dent eligibility requirements under section 484(a)(5)*  
20 *of the Higher Education Act of 1965 (20 U.S.C.*  
21 *1091(a)(5)).”.*

22 *(b) EFFECTIVE DATE.—The amendment made by this*  
23 *section shall apply to taxable years beginning after Decem-*  
24 *ber 31, 2024.*

1 **SEC. 3. REQUIREMENT TO REPORT CERTAIN INFORMATION**  
2 **WITH RESPECT TO APPLICATION OF EXCISE**  
3 **TAX BASED ON INVESTMENT INCOME OF PRI-**  
4 **VATE COLLEGES AND UNIVERSITIES.**

5 (a) *IN GENERAL.*—Section 6033 of the Internal Rev-  
6 enue Code of 1986 is amended by redesignating subsection  
7 (o) as subsection (p) and by inserting after subsection (n)  
8 the following new subsection:

9 “(o) *REQUIREMENT TO REPORT CERTAIN INFORMA-*  
10 *TION WITH RESPECT TO EXCISE TAX BASED ON INVEST-*  
11 *MENT INCOME OF PRIVATE COLLEGES AND UNIVER-*  
12 *SITIES.*—Each applicable educational institution described  
13 in section 4968(b) which is subject to the requirements of  
14 subsection (a) shall include on the return required under  
15 subsection (a)—

16 “(1) *the number of students taken into account*  
17 *for purposes of the calculation in paragraph (1)(D) of*  
18 *section 4968(b) (determined before the application of*  
19 *paragraph (3) of such section), and*

20 “(2) *the number of students taken into account*  
21 *for purposes of the calculation in paragraph (1)(D) of*  
22 *section 4968(b) (determined after the application of*  
23 *paragraph (3) of such section).”.*

24 (b) *EFFECTIVE DATE.*—The amendment made by this  
25 section shall apply to taxable years beginning after Decem-  
26 ber 31, 2024.



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