

119TH CONGRESS
1ST SESSION

H. R. 1128

To amend the Internal Revenue Code of 1986 to increase the rate of the excise tax based on investment income of private colleges and universities and to broaden the definition of applicable educational institution by lowering the threshold with respect to aggregate fair market value per student, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2025

Mr. LAWLER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the rate of the excise tax based on investment income of private colleges and universities and to broaden the definition of applicable educational institution by lowering the threshold with respect to aggregate fair market value per student, 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 “Endowment Account-
5 ability Act”.

1 **SEC. 2. EXCISE TAX BASED ON INVESTMENT INCOME OF**
2 **PRIVATE COLLEGES AND UNIVERSITIES.**

3 (a) INCREASE IN RATE OF TAX.—Section 4968(a) of
4 the Internal Revenue Code of 1986 is amended by striking
5 “1.4 percent” and inserting “10 percent”.

6 (b) LOWERING ASSET PER STUDENT THRESHOLD
7 FOR DEFINITION OF APPLICABLE EDUCATIONAL INSTI-
8 TUTION.—Section 4968(b)(1)(D) of such Code is amended
9 by striking “\$500,000” and inserting “\$200,000”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 the date of the enactment of this Act.

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