

119TH CONGRESS
1ST SESSION

H. R. 1905

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.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2025

Mr. BUCHANAN (for himself, Mr. SMITH of Nebraska, Mr. KELLY of Pennsylvania, Mrs. MILLER of West Virginia, Mr. MURPHY, Ms. TENNEY, and Ms. VAN DUYNE) 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 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”.

1 **SEC. 2. CERTAIN STUDENTS NOT TAKEN INTO ACCOUNT**
2 **FOR PURPOSES OF CALCULATION TO DETER-**
3 **MINE IF CERTAIN PRIVATE COLLEGES AND**
4 **UNIVERSITIES ARE SUBJECT TO EXCISE TAX**
5 **ON NET INVESTMENT INCOME.**

6 (a) IN GENERAL.—Section 4968(b) of the Internal
7 Revenue Code of 1986 is amended by adding at the end
8 the following new paragraph:

9 “(3) CERTAIN STUDENTS NOT TAKEN INTO AC-
10 COUNT IN DETERMINING ENDOWMENT THRESH-
11 OLD.—For purposes of paragraph (1)(D), a student
12 shall not be taken into account with respect to an
13 eligible educational institution unless such student
14 meets the student eligibility requirements under sec-
15 tion 484(a)(5) of the Higher Education Act of 1965
16 (20 U.S.C. 1091(a)(5)).”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to taxable years beginning after
19 December 31, 2025.

20 **SEC. 3. REQUIREMENT TO REPORT CERTAIN INFORMATION**
21 **WITH RESPECT TO APPLICATION OF EXCISE**
22 **TAX BASED ON INVESTMENT INCOME OF PRI-**
23 **VATE COLLEGES AND UNIVERSITIES.**

24 (a) IN GENERAL.—Section 6033 of the Internal Rev-
25 enue Code of 1986 is amended by redesignating subsection

1 (o) as subsection (p) and by inserting after subsection (n)
2 the following new subsection:

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

10 “(1) the number of students taken into account
11 for purposes of the calculation in paragraph (1)(D)
12 of section 4968(b) (determined before the applica-
13 tion of paragraph (3) of such section), and

14 “(2) the number of students taken into account
15 for purposes of the calculation in paragraph (1)(D)
16 of section 4968(b) (determined after the application
17 of paragraph (3) of such section).”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to taxable years beginning after
20 December 31, 2025.

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