

H.R. 8913, Protecting American Students Act

As ordered reported by the House Committee on Ways and Means on July 9, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	84	273
Increase or Decrease (-) in the Deficit	0	-84	-273
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 8913 would change the definition of “student” for purposes of determining whether a postsecondary institution is subject to the excise tax that applies to net investment income earned on endowment assets. Under current law, that tax applies to institutions with endowment assets of \$500,000 or more per student. The number of students is the daily average number of full-time students, with part-time students considered on a full-time-equivalent basis. H.R. 8913 would specify that the accounting include only those students who are U.S. citizens, permanent residents, or able to provide evidence of being in the country with the intention of becoming a citizen or permanent resident.

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (JCT) will be the official estimates for all tax legislation considered by the Congress. As such, CBO incorporates those estimates into its cost estimates of the effects of legislation. The estimates for the revenue provisions of H.R. 8913 were provided by JCT.¹

1. Joint Committee on Taxation, *Estimated Revenue Effects of H.R. 8913, the “Protecting American Students Act,”* JCX-28-24 (July 8, 2024), www.jct.gov/publications/2024/jcx-28-24.



The estimated budgetary effect of H.R. 8913 is shown in Table 1. The costs of the legislation fall within budget function 800 (general government).

Table 1. Estimated Budgetary Effects of H.R. 8913													
By Fiscal Year, Millions of Dollars												2024- 2029	2024- 2034
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034			
Increases in Revenues													
Estimated Revenues	0	0	*	26	28	30	33	35	37	40	43	84	273

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.
Components may not sum to totals because of rounding; * = between zero and \$500,000.
CBO also estimates that implementing H.R. 8913 would increase the administrative costs of the Internal Revenue Service by less than \$500,000 over the 2024-2034 period; any related spending would be subject to the availability of appropriated funds.

For this estimate, CBO and JCT assume that the bill will be treated as if enacted on July 31, 2024. JCT estimates that enacting H.R. 8913 would increase revenues by \$273 million over the 2024-2034 period because more institutions would be subject to the excise tax if fewer students were counted in the determination of the \$500,000 per student threshold.

CBO estimates that implementing the bill would increase federal costs by less than \$500,000 over the 2025-2029 period for the Internal Revenue Service to make those changes; any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Molly Sherlock. The estimate was reviewed by John McClelland, Director of Tax Analysis.

Phillip L. Swagel
Director, Congressional Budget Office