



# TaxNewsFlash

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## Regulations pending OIRA review: Excise tax on college net investment income (section 4968)

OMB's Office of Information and Regulatory Affairs (OIRA) today reported that it has received for review from the U.S. Treasury Department proposed regulations under section 4968 relating to the excise tax on college net investment income.

OIRA noted that these regulations concern measures under the 2017 tax law (Pub. L. No. 115-97)—the law that is referred to as the "Tax Cuts and Jobs Act" (TCJA). Treasury regulations that are identified as "major" regulations are subject to review by OMB's OIRA before being issued, pursuant to Executive Order 13771.

According to OIRA, review is being conducted concerning the following proposed regulations:

- [RIN: 1545-BO75](#): *Guidance on section 4968 excise tax on college net investment income*

Treasury regulations that are identified as "major" regulations are subject to review by OMB's OIRA before issuance, pursuant to Executive Order 13771. Read [TaxNewsFlash](#)

### Background

The 2017 tax law (as amended in 2018) imposed a 1.4% excise tax on the net investment income of private colleges and universities with at least 500 tuition-paying students (more than 50% of which are located in the United States) and non-exempt use assets with a value at the close of the preceding tax year of at least \$500,000 per full-time student. A university's assets generally include assets held by certain related organizations (including supporting organizations to the university and organizations controlled by the university), and a university's net income generally includes investment income derived from those assets.

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