



TaxNewsFlash

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Final regulations: Excise tax on college net investment income (text of regulations)

The IRS today posted on its website a version of final regulations (T.D. 9917) concerning the rules for determining the excise tax applicable to the net investment income of certain private colleges and universities, as provided by section 4968.

Read the [final regulations](#) [PDF 551 KB] (156 pages)

This version of the final regulations includes the following statement:

This document is in the process of being submitted to the Office of the Federal Register (OFR) for publication and will be pending placement on public display at the OFR and publication in the Federal Register. The version of the final regulations released today may vary slightly from the published document if minor editorial changes are made during the OFR review process. The document published in the Federal Register will be the official document.

The purpose of this report is to provide text of the regulations. A more detailed discussion will be provided by KPMG.

Background

The 2017 U.S. tax law (Pub. L. No. 115-97) or the law that is often referred to as the “Tax Cuts and Jobs Act” (TCJA), created an excise tax on the net investment income of some private colleges and universities. The Treasury Department and IRS in late June 2019 issued proposed regulations as guidance concerning this excise tax. At the time of the release of the proposed regulations, there were many difficult questions left unanswered. Read [TaxNewsFlash](#)

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