To amend the Internal Revenue Code of 1986 to increase the excise tax on net investment income of certain private colleges and universities.

IN THE SENATE OF THE UNITED STATES

Mr. Vance introduced the following bill; which was read twice and referred to the Committee on ____________________

A BILL

To amend the Internal Revenue Code of 1986 to increase the excise tax on net investment income of certain private colleges and universities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN EXCISE TAX ON NET INVESTMENT INCOME.

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

“(e) INCREASE IN TAX IN CASE OF CERTAIN INSTITUTIONS.—In the case of an applicable educational institution—
“(1) which is not religious in nature, and

“(2) the aggregate fair market value of the assets of which at the end of the preceding taxable year (other than those assets which are used directly in carrying out the institution’s exempt purpose) is at least $10,000,000,000,

subsection (a) shall be applied by substituting ‘35 percent’ for ‘1.4 percent’.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2023.