

Playing Defense in 2024 and Preparing for 2025

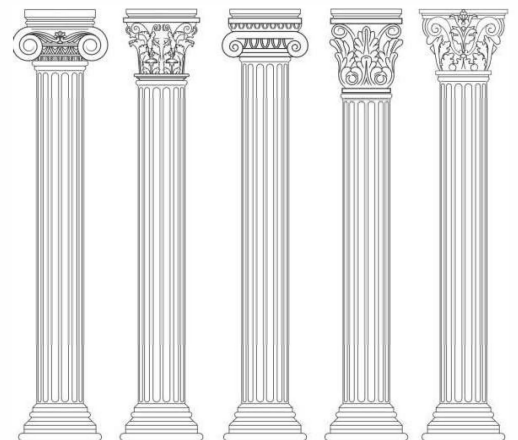


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Playing Defense - - Focus on Private Schools

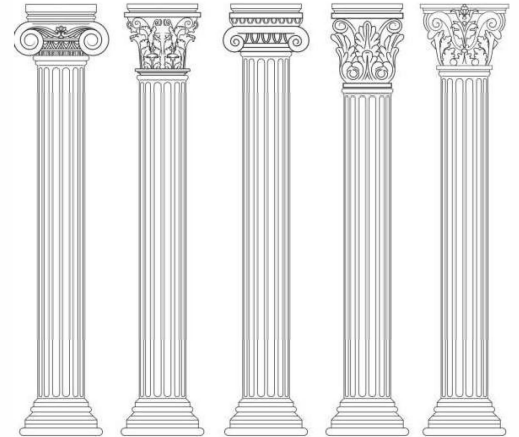
- Initial spotlight on endowments
 - Revenue raising bills - - incr. rate on NII anywhere from 6-35 percent
 - Bills limiting Federal funds for student aid and other programs if subject to endowment tax
 - Impose excise taxes on certain types of investments
 - Greater disclosure of of foreign funding or foreign gifts
- W&M Tax Teams and TCJA education
 - New Economy Tax Team



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Playing Defense (cont.)

- Campus protests raised tax related questions:
 - Foreign funding sources of universities (i.e., Qatar foundation)
 - Foreign donations and gifts
 - Donations to student groups (House passed H.R. 6408, revokes tax exempt status for receiving or providing support or resources for terrorist groups)
 - Potentially \$13B in contributions from foreign sources to universities, Treasury to investigate
 - Disclosures (HR 5933 DETERRENT Act - - reporting foreign gifts or contracts over \$50,000, all gifts to researchers, investments by endowments”

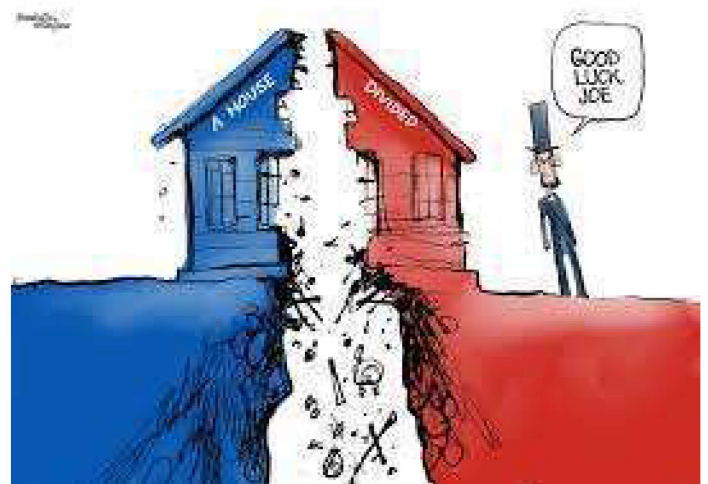


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Playing Defense (cont.)

House GOP investigations covering tax and tax related topics

- W&M collected over 1500 pages of documents
- Oversight to investigate who is funding protests
- Energy and Commerce to review NIH grants to privates - - grants of \$682M, \$508M, \$409M, etc. to various universities
- Science, Space and Technology to probe harassment and intimidation complaints and schools' compliance to receive National Science Foundation funding
- Judiciary requested State Department assistance - - are protesters on student visas or even students
- Speaker Johnson - - “If they can't get control of this, we will take the funding away from these universities,” “....and we will hold these administrators accountable.”



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2024 Election: Biden vs. Trump redux



- Ticket splitting seems to be a thing of the past -- 2020 House races had fewest split tickets in 100 years
- 40 states have one party control -- similar result expected in 2024
- 2020 race decided by as few as 81,000 votes which determined Az., Ga., and Wisc. elections
- 2024 race -- six states likely to determine the election
 - AZ., GA., Mich., NV., Penn., Wisc.

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Will House and/or Senate Flip?

House

- Ds need only a few more seats to flip
 - Current makeup 217 Rs -213 Ds
- Currently only 21 lawmakers --16 Republicans, 5 Democrats -- represent districts carried by the other party's presidential candidate.
- 18 races rated as tossups currently -- split evenly. 7 of GOP tossups in Calif. and NY

Senate

- Rs need only to take two more seats to flip.
- 4 Democratic seats rated as toss-ups, another 4 potentially in play; no Republican seats currently in play.
 - Manchin replacement (WVA), Tester (MT); and Brown (OH) running in states that Trump won. Rosen (NV) and AZ open seat (Sinema) also in play
 - Cruz (TX) -- Ds hope to put his seat in play.
- SFC retirements
 - Cardin, Carper and Stabenow
 - Menendez?

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