

October 24, 2023

The Honorable Jason Smith
Chairman
U.S. House of Representatives
Committee on Ways & Means
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Richard E. Neal
Ranking Member
U.S. House of Representatives
Committee on Ways & Means
1129 Longworth House Office Building
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal:

On behalf of the more than 159,000 dentist members of the American Dental Association, thank you for holding this hearing on Educational Freedom and Opportunity for American Families, Students, and Workers. We would like to highlight the following pieces of legislation and policies within the Ways and Means Committee's jurisdiction, which we believe would be especially helpful for those considering training as a dentist, dental hygienist, or other oral health care professional, and for all Americans who need access to dental care, especially those in underserved and rural areas.

The Freedom to Invest in Tomorrow's Workforce Act (H.R. 1477)

[This bill](#) would expand qualified expenses under 529 plans to include postsecondary skills training and credentialing programs, such as licenses and nongovernmental certifications. It would also provide valuable tax-advantaged resources for students and workers with or without a college degree who pursue career growth, mid-career changes or career pathways that diverge from a typical academic degree.

529 plans are state-sponsored education savings accounts that are exempt from federal taxes if funds are used to pay for qualified education expenses. Under current law, 529 plan beneficiaries cannot use funds to obtain or maintain recognized postsecondary credentials, including professional, voluntary certifications, licenses and other valuable training and credentials.

Student Loan Interest Deduction Act

[This bill](#), which has yet to be reintroduced this Congress, would double the student loan interest deduction (from \$2,500 to \$5,000) and eliminate the income limits that prevent those who live in high-cost areas from reaping the benefit.

Although new dentists may receive higher salaries than graduates of other academic programs, their debt loads are so high that the interest they pay on federal student loans is very significant. Raising the amount of the deduction and removing the income cap on those that can take advantage of the student

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loan interest deduction would save make dental training more attractive by saving new dentists thousands of dollars annually.

Dental Loan Repayment Assistance Act

[This bill](#), which has been reintroduced in the Senate (S. 2172) and is awaiting reintroduction in the House, would exempt repayment received for participating in the Dental Faculty Loan Repayment program, from income tax.

The Dental Faculty Loan Repayment program supports supporting academic and clinical training for public health dentistry and other dental specialties that focus on underserved and vulnerable patient populations. The program would attract more applicants if the recipients would retain all of the repayment they've earned without having to pay large amounts back in income tax.

With forty percent of the dental faculty workforce nearing retirement age, only 0.4 percent of dental school seniors plan to enter academia after graduation. By alleviating the taxation of such payments to dentists who choose to teach future oral health care providers, this legislation will make the program even more effective in recruiting and retaining quality dental faculty.

The Indian Health Service Health Professions Tax Fairness Act

This bill would allow dentists and other health care professionals participating in the Indian Health Service (IHS) Loan Repayment Program to exclude interest and principal payments from their federal income taxes, as well as certain benefits received by those in the Indian Health Professions Scholarships Program. It would grant IHS employees the same tax status enjoyed by those who receive National Health Service Corps (NHSC) and Army loan repayments.

Under the IHS and NHSC programs, health care professionals provide needed care and services to underserved populations. However, the IHS uses a large portion of its resources to pay the taxes that are assessed on its loan recipients. In years past, IHS spent nearly 30 percent of its Health Professions account for taxes. Based on the 2021 average new award of \$45,850, making the IHS loan repayments and scholarships tax-free would save the agency over \$11.6 million a year and would fund an additional 253 loan repayment awards without increasing the Service's annual appropriation.

The loan repayment program has already proven to be among the IHS's best recruitment and retention tools. Exempting the scholarship and loan repayment funds from gross income would make this tool even more attractive to potential participants. Because IHS currently has a very high vacancy rate, enhancing popular recruitment and retention tools is crucial to providing adequate access to care for IHS beneficiaries, especially in rural areas.

The burden of student debt on dental students (averaging over \$300,000 per student) can have broadly deleterious effects on the dental health workforce, including discouraging students from entering dental schools, distorting the geographic distribution of dentists, and falling disproportionately on minority dentists. Addressing dental student debt, financing of dental education, and the cost of credentialing is a major step towards ensuring everyone has optimal access to oral health.

Thank you again for holding this hearing on education tax policy that will not only empower students to pursue the American dream, but which will also lead to great access to care for patients in need. We appreciate the opportunity to provide the perspective of America's dentists and other oral health care professionals on these tax policies related to dental education. The ADA looks forward to working with the Committee education tax policy issues in the future.

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Please do not hesitate to contact Megan Mortimer at 202-898-2402 or at mortimerm@ada.org if you or your staff have any questions or would like additional information.

Sincerely,

Linda J. Edgar, D.D.S., M.Ed.
President

Raymond A. Cohlmiya, D.D.S.
Executive Director

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