

106TH CONGRESS
2D SESSION

S. 2479

To amend the Internal Revenue Code of 1986 to provide a refundable credit against income tax to certain elementary and secondary school teachers who receive advanced certification and to exclude from gross income certain amounts received by such teachers.

IN THE SENATE OF THE UNITED STATES

APRIL 27, 2000

Ms. LANDRIEU introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a refundable credit against income tax to certain elementary and secondary school teachers who receive advanced certification and to exclude from gross income certain amounts received by such teachers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTIFIED TEACHER CREDIT.**

4 (a) FINDINGS.—Congress makes the following find-
5 ings:

1 (1) Studies have shown that the greatest single
2 in-school factor affecting student achievement is
3 teacher quality.

4 (2) Most accomplished teachers do not get the
5 rewards they deserve.

6 (3) After adjusting amounts for inflation, the
7 average teacher salary for 1997–1998 of \$39,347 is
8 just \$2 above what it was in 1993. Such salary is
9 also just \$1,924 more than the average salary re-
10 corded in 1972, a real increase of only \$75 per year.

11 (4) While K–12 enrollments are steadily in-
12 creasing, the teacher population is aging. There is a
13 need, now more than ever, to attract competent, ca-
14 pable, and bright college graduates or mid-career
15 professionals to the teaching profession.

16 (5) The Department of Education projects that
17 2,000,000 new teachers will have to be hired in the
18 next decade. Shortages, if they occur, will most like-
19 ly be felt in urban or rural regions of the country
20 where working conditions may be difficult or com-
21 pensation low.

22 (6) If students are to receive a high quality
23 education and remain competitive in the global mar-
24 ket the United States must attract talented and mo-

1 tivated people to the teaching profession in large
2 numbers.

3 (b) ALLOWANCE OF CREDIT.—Subpart C of part IV
4 of subchapter A of chapter 1 of the Internal Revenue Code
5 of 1986 (relating to refundable credits) is amended by re-
6 designating section 35 as section 36 and by inserting after
7 section 34 the following new section:

8 **“SEC. 35. CERTIFIED TEACHER CREDIT.**

9 “(a) ALLOWANCE OF CREDIT.—

10 “(1) IN GENERAL.—In the case of an eligible
11 teacher, there shall be allowed as a credit against
12 the tax imposed by this chapter for the taxable year
13 \$5,000.

14 “(2) YEAR CREDIT ALLOWED.—The credit
15 under paragraph (1) shall be allowed in the taxable
16 year in which the taxpayer becomes a certified indi-
17 vidual.

18 “(b) DEFINITIONS.—For purposes of this section—

19 “(1) ELIGIBLE TEACHER.—

20 “(A) IN GENERAL.—The term ‘eligible
21 teacher’ means a certified individual who is a
22 pre-kindergarten or early childhood educator, or
23 a kindergarten through grade 12 classroom
24 teacher, instructor, counselor, aide, or principal
25 in an elementary or secondary school on a full-

1 time basis for an academic year ending during
2 a taxable year.

3 “(B) CERTIFIED INDIVIDUAL.—The term
4 ‘certified individual’ means an individual who
5 has successfully completed the requirements for
6 advanced certification provided by the National
7 Board for Professional Teaching Standards.

8 “(2) ELEMENTARY OR SECONDARY SCHOOL.—
9 The term ‘elementary or secondary school’ means a
10 public elementary or secondary school which—

11 “(A) is located in a school district of a
12 local educational agency which is eligible, dur-
13 ing the taxable year, for assistance under part
14 A of title I of the Elementary and Secondary
15 Education Act of 1965 (20 U.S.C. 6311 et
16 seq.), and

17 “(B) during the taxable year, the Sec-
18 retary of Education determines to have an en-
19 rollment of children counted under section
20 1124(c) of such Act (20 U.S.C. 6333(c)) in an
21 amount in excess of an amount equal to 40 per-
22 cent of the total enrollment of such school.

23 “(c) VERIFICATION.—The credit allowed under sub-
24 section (a) shall be allowed with respect to any certified

1 individual only if the certification is verified in such man-
 2 ner as the Secretary shall prescribe by regulation.

3 “(d) ELECTION TO HAVE CREDIT NOT APPLY.—A
 4 taxpayer may elect to have this section not apply for any
 5 taxable year.”.

6 (c) EXCLUSION FROM INCOME FOR CERTAIN
 7 AMOUNTS.—Part III of subchapter B of chapter 1 of the
 8 Internal Revenue Code of 1986 (relating to items specifi-
 9 cally excluded from gross income) is amended by redesi-
 10 gnating section 139 as section 140 and inserting after sec-
 11 tion 138 the following new section:

12 **“SEC. 139. CERTAIN AMOUNTS RECEIVED BY CERTIFIED**
 13 **TEACHERS.**

14 “(a) IN GENERAL.—In the case of a certified teacher,
 15 gross income shall not include the value of anything re-
 16 ceived during the taxable year solely by reason of such
 17 teacher having successfully completed the requirements
 18 for advanced certification provided by the National Board
 19 for Professional Teaching Standards (such as an incentive
 20 payment).

21 “(b) CERTIFIED TEACHER.—For purposes of this
 22 section, the term ‘certified teacher’ has the meaning given
 23 the term ‘eligible teacher’ under section 35(b)(1).

24 “(c) VERIFICATION.—The exclusion under subsection
 25 (a) shall be allowed with respect to any certified teacher

1 only if the certification is verified in such manner as the
 2 Secretary shall prescribe by regulation.

3 “(d) AMOUNTS MUST BE REASONABLE.—Amounts
 4 excluded under subsection (a) shall include only amounts
 5 which are reasonable.”.

6 (d) CONFORMING AMENDMENTS.—

7 (1) Section 1324(b)(2) of title 31, United
 8 States Code, is amended by striking “or” before
 9 “enacted” and by inserting before the period at the
 10 end “, or from section 35 of such Code”.

11 (2) The table of sections for subpart C of part
 12 IV of subchapter A of chapter 1 of the Internal Rev-
 13 enue Code of 1986 is amended by striking the item
 14 relating to section 35 and inserting the following:

“Sec. 35. Certified teacher credit.
 “Sec. 36. Overpayments of tax.”

15 (3) The table of sections for part III of sub-
 16 chapter B of chapter 1 of such Code is amended by
 17 striking the item relating to section 139 and insert-
 18 ing the following new items:

“Sec. 139. Certain amounts received by certified teachers.
 “Sec. 140. Cross references to other Acts.”

19 (e) EFFECTIVE DATE.—The amendments made by
 20 this section shall apply to taxable years beginning after
 21 December 31, 2000.

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