

106TH CONGRESS
2D SESSION

S. 2622

To amend the Internal Revenue Code of 1986 to encourage stronger math and science programs at elementary and secondary schools.

IN THE SENATE OF THE UNITED STATES

MAY 24, 2000

Mr. ROBERTS (for himself and Ms. SNOWE) 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 encourage stronger math and science programs at elementary and secondary schools.

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. SHORT TITLE.**

4 This Act may be cited as the “National Science Edu-
5 cation Incentive Act of 2000”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) As concluded in the report of the Com-
9 mittee on Science of the House of Representatives,
10 “Unlocking Our Future Toward a New National

1 Science Policy,” which was adopted by the House of
2 Representatives, the United States must maintain
3 and improve its preeminent position in science and
4 technology in order to advance human under-
5 standing of the universe and all it contains, and to
6 improve the lives, health, and freedoms of all people.

7 (2) It is estimated that more than half of the
8 economic growth of the United States today results
9 directly from research and development in science
10 and technology. The most fundamental research is
11 responsible for investigating our perceived universe,
12 to extend our observations to the outer limits of
13 what our minds and methods can achieve, and to
14 seek answers to questions that have never been
15 asked before. Applied research continues the process
16 by applying the answers from basic science to the
17 problems faced by individuals, organizations, and
18 governments in the everyday activities that make our
19 lives more livable. The scientific-technological sector
20 of our economy, which has driven our recent eco-
21 nomic boom and led the United States to the longest
22 period of prosperity in history, is fueled by the work
23 and discoveries of the scientific community.

24 (3) The effectiveness of the United States in
25 maintaining this economic growth will be largely de-

1 terminated by the intellectual capital of the United
2 States. Education is critical to developing this re-
3 source.

4 (4) The education program of the United States
5 needs to provide for 3 different kinds of intellectual
6 capital. First, it needs scientists and engineers to
7 continue the research and development that is cen-
8 tral to the economic growth of the United States.
9 Second, it needs technologically proficient workers
10 who are comfortable and capable dealing with the
11 demands of a science-based, high-technology work-
12 place. Last, it needs scientifically literate voters and
13 consumers to make intelligent decisions about public
14 policy.

15 (5) Student performance on the recent Third
16 International Math and Science Study highlights the
17 shortcomings of current K–12 science and mathe-
18 matics education in the United States, particularly
19 when compared to other countries. We must expect
20 more from our Nation’s educators and students if
21 we are to build on the accomplishments of previous
22 generations. New methods of teaching mathematics
23 and science are required, as well as better curricula
24 and improved training of teachers.

1 (6) Science is more than a collection of facts,
2 theories, and results. It is a process of inquiry built
3 upon observations and data that leads to a way of
4 knowing and explaining in logically derived concepts
5 and theories.

6 (7) Students should learn science primarily by
7 doing science. Science education ought to reflect the
8 scientific process and be object-oriented, experiment-
9 centered, and concept-based.

10 (8) Children are naturally curious and inquisi-
11 tive. To successfully tap into these innate qualities,
12 education in science must begin at an early age and
13 continue throughout the entire school experience.

14 (9) Teachers provide the essential connection
15 between students and the content they are learning.
16 High-quality prospective teachers need to be identi-
17 fied and recruited by presenting to them a career
18 that is respected by their peers, is financially and in-
19 tellectually rewarding, and contains sufficient oppor-
20 tunities for advancement.

21 (10) Teachers need to have incentives to remain
22 in the classroom and improve their practice, and
23 training of teachers is essential if the results are to
24 be good. Teachers need to be knowledgeable of their
25 content area, of their curriculum, of up-to-date re-

1 search in teaching and learning, and of techniques
2 that can be used to connect that information to their
3 students in their classroom.

4 **SEC. 3. REFUNDABLE CREDIT FOR PORTION OF TUITION**
5 **PAID FOR UNDERGRADUATE EDUCATION OF**
6 **CERTAIN TEACHERS.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 (relating to refundable credits) is amended by redес-
10 ignating section 35 as section 36 and by inserting after
11 section 34 the following new section:

12 **“SEC. 35. TUITION FOR UNDERGRADUATE EDUCATION OF**
13 **CERTAIN TEACHERS.**

14 “(a) IN GENERAL.—In the case of an individual who
15 is an eligible teacher for the taxable year, there shall be
16 allowed as a credit against the tax imposed by this subtitle
17 an amount equal to 10 percent of qualified undergraduate
18 tuition paid by such individual.

19 “(b) LIMITATIONS.—

20 “(1) DOLLAR AMOUNT.—The credit allowed by
21 this section for any taxable year shall not exceed
22 \$1,000.

23 “(2) CREDIT ALLOWED ONLY FOR 10 YEARS.—
24 No credit shall be allowed under this section for any

1 taxable year after the 10th taxable year for which
2 credit is allowed under this section.

3 “(c) ELIGIBLE TEACHER.—For purposes of this
4 section—

5 “(1) IN GENERAL.—The term ‘eligible teacher’
6 means, with respect to a taxable year, any
7 individual—

8 “(A) who is a full-time teacher, including
9 a full-time substitute teacher, in any of grades
10 kindergarten through 12th grade for the aca-
11 demic year ending in such taxable year,

12 “(B)(i) who teaches primarily math,
13 science, engineering, or technology courses in 1
14 or more of grades 9 through 12 during such
15 academic year, or

16 “(ii) who teaches math, science, engineer-
17 ing, or technology courses in 1 or more of
18 grades kindergarten through 8 during such aca-
19 demic year.

20 “(C) who completed a 5-year teaching
21 training program which meets the requirements
22 of paragraph (3), and

23 “(D) who received a baccalaureate or simi-
24 lar degree with a major in mathematics,

1 science, engineering, or technology from a quali-
2 fied educational institution.

3 “(2) SPECIAL RULE FOR ADMINISTRATIVE PER-
4 SONNEL.—School administrative functions shall be
5 treated as teaching courses referred to in paragraph
6 (1)(B) if such functions primarily relate to such
7 courses or are for a school which focuses primarily
8 on such courses.

9 “(3) 5-YEAR TEACHER TRAINING PROGRAM.—
10 For purposes of paragraph (1)(C)—

11 “(A) ELEMENTARY SCHOOL TEACHERS.—
12 In the case of an elementary school teacher, a
13 teacher training program meets the require-
14 ments of this paragraph if—

15 “(i) the program requires, in addition
16 to education courses, that the student com-
17 plete courses in physics, chemistry, and bi-
18 ology, and

19 “(ii) the program recommends com-
20 pletion of an earth science.

21 “(B) MIDDLE AND HIGH SCHOOL TEACH-
22 ERS.—In the case of a middle or high school
23 teacher, a teacher training program meets the
24 requirements of this paragraph if the program
25 requires, in addition to education courses, that

1 the student also major in a science referred to
2 in subparagraph (A) and that the student also
3 complete introductory courses in 2 other
4 sciences referred to in subparagraph (A).

5 “(4) QUALIFIED EDUCATIONAL INSTITUTION.—
6 The term ‘qualified educational institution’ means
7 any eligible educational institution (as defined in
8 section 25A(f)(2)) if—

9 “(A) more than 80 percent of such institu-
10 tion’s graduates who apply for certification by
11 any State as a teacher are so certified, and

12 “(B) such institution’s school of education
13 (or equivalent unit) has an advisory
14 committee—

15 “(i) which includes (on a rotating
16 basis or otherwise) practicing mathemati-
17 cians and scientists and representatives
18 from several of the appropriate science,
19 mathematics, engineering, and technology
20 departments of such institution, and

21 “(ii) which publishes annually a re-
22 port detailing curricula reforms for such
23 school (or unit) designed to align teacher
24 training curricula with State requirements
25 and expectations.

1 “(d) QUALIFIED UNDERGRADUATE TUITION.—For
2 purposes of this section, the term ‘qualified undergraduate
3 tuition’ means qualified higher education expenses (as de-
4 fined in section 529(e)(3)) for a qualified educational in-
5 stitution, reduced as provided in section 25A(g)(2) and by
6 any credit allowed by section 25A with respect to such
7 expenses.

8 “(e) REGULATIONS.—The Secretary shall prescribe
9 such regulations as may be appropriate to carry out the
10 purposes of this section.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Paragraph (2) of section 1324(b) of title
13 31, United States Code, is amended by inserting be-
14 fore the period “, or from section 35 of such Code”.

15 (2) The table of sections for subpart C of part
16 IV of subchapter A of chapter 1 of such Code is
17 amended by striking the last item and inserting the
18 following new items:

 “Sec. 35. Tuition for undergraduate education of certain teachers.
 “Sec. 36. Overpayments of tax.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 the date of the enactment of this Act; except that only
22 periods of being an eligible teacher (as defined in section
23 35(c) of the Internal Revenue Code of 1986, as added by

1 this section) after such date shall be taken into account
 2 under section 35(b)(2) of such Code, as so added.

3 **SEC. 4. CREDITS FOR CERTAIN CONTRIBUTIONS BENE-**
 4 **FITING SCIENCE, MATHEMATICS, ENGINEER-**
 5 **ING, AND TECHNOLOGY EDUCATION AT THE**
 6 **ELEMENTARY AND SECONDARY SCHOOL**
 7 **LEVEL.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
 9 chapter A of chapter 1 of the Internal Revenue Code of
 10 1986 (relating to business related credits) is amended by
 11 adding at the end the following new section:

12 **“SEC. 45D. CONTRIBUTIONS BENEFITING SCIENCE, MATHE-**
 13 **MATICS, ENGINEERING, AND TECHNOLOGY**
 14 **EDUCATION AT THE ELEMENTARY AND SEC-**
 15 **ONDARY SCHOOL LEVEL.**

16 “(a) IN GENERAL.—For purposes of section 38, the
 17 elementary and secondary science, mathematics, engineer-
 18 ing, and technology (SMET) contributions credit deter-
 19 mined under this section for the taxable year is an amount
 20 equal to 100 percent of the qualified SMET contributions
 21 of the taxpayer for such taxable year.

22 “(b) QUALIFIED SMET CONTRIBUTIONS.—For pur-
 23 poses of this section, the term ‘qualified SMET contribu-
 24 tions’ means—

25 “(1) SMET school contributions,

1 “(2) SMET teacher externship expenses, and

2 “(3) SMET teacher training expenses.

3 “(c) SMET SCHOOL CONTRIBUTIONS.—For pur-
4 poses of this section—

5 “(1) IN GENERAL.—The term ‘SMET school
6 contributions’ means—

7 “(A) SMET property contributions, and

8 “(B) SMET service contributions.

9 “(2) SMET PROPERTY CONTRIBUTIONS.—The
10 term ‘SMET property contributions’ means the
11 amount which would (but for subsection (f)) be al-
12 lowed as a deduction under section 170 for a chari-
13 table contribution of SMET inventory property if—

14 “(A) the donee is an elementary or sec-
15 ondary school described in section
16 170(b)(1)(A)(ii),

17 “(B) substantially all of the use of the
18 property by the donee is within the United
19 States for educational purposes in any of the
20 grades K–12 that are related to the purpose or
21 function of the donee,

22 “(C) the original use of the property be-
23 gins with the donee,

24 “(D) the property will fit productively into
25 the donee’s education plan,

1 “(E) the property is not transferred by the
2 donee in exchange for money, other property, or
3 services, except for shipping, installation and
4 transfer costs, and

5 “(F) the donee’s use and disposition of the
6 property will be in accordance with the provi-
7 sions of subparagraphs (B) and (E).

8 The determination of the amount of deduction under
9 section 170 for purposes of this paragraph shall be
10 made as if the limitation under section 170(e)(3)(B)
11 applied to all SMET inventory property.

12 “(3) SMET SERVICE CONTRIBUTIONS.—The
13 term ‘SMET service contributions’ means the
14 amount paid or incurred during the taxable year for
15 SMET services provided in the United States for the
16 exclusive benefit of students at an elementary or sec-
17 ondary school described in section 170(b)(1)(A)(ii)
18 but only if—

19 “(A) the taxpayer is engaged in the trade
20 or business of providing such services on a com-
21 mercial basis, and

22 “(B) no charge is imposed for providing
23 such services.

1 “(4) SMET INVENTORY PROPERTY.—The term
2 ‘SMET inventory property’ means, with respect to
3 any contribution to a school, any property—

4 “(A) which is described in paragraph (1)
5 or (2) of section 1221(a) with respect to the
6 donor, and

7 “(B) which is determined by the school to
8 be needed by the school in providing education
9 in grades K–12 in the areas of science, mathe-
10 matics, engineering, or technology.

11 “(5) SMET SERVICES.—The term ‘SMET serv-
12 ices’ means, with respect to any contribution to a
13 school, any service determined by the school to be
14 needed by the school in providing education in
15 grades K–12 in the areas of science, mathematics,
16 engineering, or technology, including teaching
17 courses of instruction at such school in any such
18 area.

19 “(d) SMET TEACHER EXTERNSHIP EXPENSES.—
20 For purposes of this section—

21 “(1) IN GENERAL.—The term ‘SMET teacher
22 externship expenses’ means any amount paid or in-
23 curred to carry out a SMET externship program of
24 the taxpayer but only to the extent that such
25 amount is attributable to the participation in such

1 program of any eligible SMET teacher, including
2 amounts paid to such a teacher as a stipend while
3 participating in such program.

4 “(2) SMET EXTERNSHIP PROGRAM.—The term
5 ‘SMET externship program’ means any program—

6 “(A) established by a taxpayer engaged in
7 a trade or business within an area of science,
8 mathematics, engineering, or technology, and

9 “(B) under which eligible SMET teachers
10 receive training to enhance their teaching skills
11 in the areas of science, mathematics, engineer-
12 ing, or technology or otherwise improve their
13 knowledge in such areas.

14 “(3) ELIGIBLE SMET TEACHER.—The term ‘eli-
15 gible SMET teacher’ means any individual—

16 “(A) who is a teacher in grades K–12 at
17 an educational organization described in section
18 170(b)(1)(A)(ii) which is located in the United
19 States or which is located on a United States
20 military base outside the United States, and

21 “(B) whose teaching responsibilities at
22 such school include, or are likely to include, any
23 course in the areas of science, mathematics, en-
24 gineering, or technology.

1 “(e) SMET TEACHER TRAINING EXPENSES.—The
2 term ‘SMET teacher training expenses’ means any
3 amount paid or incurred by a taxpayer engaged in a trade
4 or business within an area of science, mathematics, engi-
5 neering, or technology which is attributable to the partici-
6 pation of any eligible SMET teacher in a regular training
7 program provided to employees of the taxpayer which is
8 determined by such teacher’s school as enhancing such
9 teacher’s teaching skills in the areas of science, mathe-
10 matics, engineering, or technology.

11 “(f) DENIAL OF DOUBLE BENEFIT.—No deduction
12 shall be allowed under this chapter for any amount allowed
13 as a credit under this section.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 38(b) of such Code is amended—

16 (A) by striking “plus” at the end of para-
17 graph (11),

18 (B) by striking the period at the end of
19 paragraph (12), and inserting “, plus”, and

20 (C) by adding at the end the following new
21 paragraph:

22 “(13) the elementary and secondary science,
23 mathematics, engineering, and technology (SMET)
24 contributions credit determined under section 45D.”.

1 (2) Subsection (d) of section 39 of such Code
 2 (relating to carryback and carryforward of unused
 3 credits) is amended by adding at the end the fol-
 4 lowing new paragraph:

5 “(9) NO CARRYBACK OF SECTION 45D CREDIT
 6 BEFORE ENACTMENT OF CREDIT.—No portion of the
 7 unused business credit for any taxable year which is
 8 attributable to the credit determined under section
 9 45D may be carried back to a taxable year begin-
 10 ning before the date of the enactment of this para-
 11 graph.”.

12 (3) The table of sections for subpart D of part
 13 IV of subchapter A of chapter 1 of such Code is
 14 amended by adding at the end the following new
 15 item:

 “Sec. 45D. Contributions benefiting science, mathematics, engi-
 neering, and technology education at the elemen-
 tary and secondary school level.”.

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 the date of the enactment of this Act.

19 **SEC. 5. ASSURANCE OF CONTINUED LOCAL CONTROL.**

20 Nothing in this Act may be construed to authorize
 21 any department, agency, officer, or employee of the United
 22 States to exercise any direction, supervision, or control
 23 over the curriculum, program of instruction, administra-

1 tion, or personnel of any educational institution or school
2 system.

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