

119TH CONGRESS  
1ST SESSION

# S. 1697

To amend the Internal Revenue Code of 1986 to provide a refundable tax credit for certain teachers as a supplement to State efforts to provide teachers with a livable wage, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 8, 2025

Mr. BOOKER (for himself, Mr. PADILLA, Mr. BLUMENTHAL, Mr. VAN HOLLEN, Ms. ROSEN, and Ms. ALSOBROOKS) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a refundable tax credit for certain teachers as a supplement to State efforts to provide teachers with a livable wage, and for other purposes.

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 “Respect, Advancement,  
5       and Increasing Support for Educators Act of 2025” or  
6       the “RAISE Act of 2025”.

7       **SEC. 2. REFUNDABLE TEACHER TAX CREDIT.**

8       (a) ALLOWANCE OF TAX CREDIT.—

1           (1) IN GENERAL.—Subpart C of part IV of sub-  
 2           chapter A of chapter 1 of the Internal Revenue Code  
 3           of 1986 is amended by inserting after section 36B  
 4           the following new section:

5   **“SEC. 36C. TEACHER TAX CREDIT.**

6           “(a) CREDIT ALLOWED.—In the case of an individual  
 7           who is an eligible educator during school years ending with  
 8           or within the taxable year, there shall be allowed as a cred-  
 9           it against the tax imposed by this chapter an amount  
 10          equal to the sum of—

11               “(1) \$1,000, plus

12               “(2) in the case of an eligible educator who is  
 13           employed at a qualifying school, the applicable  
 14           amount.

15          “(b) APPLICABLE AMOUNT.—For purposes of sub-  
 16          section (a), the applicable amount is the amount which  
 17          bears the same ratio (not to exceed one) to \$14,000  
 18          (\$9,000, in the case of any early childhood educator with-  
 19          out a bachelor’s degree) as—

20               “(1) the number of percentage points by which  
 21           the student poverty ratio for such qualifying school  
 22           exceeds 39 percent, bears to

23               “(2) 36 percentage points.

24          “(c) ELIGIBLE EDUCATOR.—For purposes of this  
 25          section—

1 “(1) IN GENERAL.—The term ‘eligible educator’  
 2 means—

3 “(A) any elementary or secondary teacher,  
 4 and  
 5 “(B) any early childhood educator.

6 “(2) ELEMENTARY OR SECONDARY TEACHER.—

7 “(A) IN GENERAL.—The term ‘elementary  
 8 or secondary teacher’ means an individual  
 9 who—

10 “(i) is a teacher of record who pro-  
 11 vides direct classroom teaching (or class-  
 12 room-type teaching in a nonclassroom set-  
 13 ting) in a public elementary school or a  
 14 public secondary school for not less than  
 15 75 percent of the normal or statutory  
 16 number of hours of work for a full-time  
 17 teacher over a complete school year (as de-  
 18 termined by the State in which the school  
 19 is located),

20 “(ii) meets the applicable require-  
 21 ments for State certification and licensure  
 22 in the State in which such school is located  
 23 in the subject area in which the individual  
 24 is the teacher of record, and

1 “(iii) has met the requirements of  
2 clauses (i) and (ii) for a period of not less  
3 than 1 year before the first day of the tax-  
4 able year.

5 “(B) TEACHER OF RECORD.—For pur-  
6 poses of subparagraph (A), the term ‘teacher of  
7 record’ means a teacher who has been assigned  
8 the responsibility for specified pupils’ learning  
9 in a grade, subject, or course as reflected on the  
10 school’s official record of attendance.

11 “(3) EARLY CHILDHOOD EDUCATOR.—The  
12 term ‘early childhood educator’ means an individual  
13 who—

14 “(A) has a Child Development Associate  
15 credential (or an equivalent credential), or has  
16 an associate’s degree or higher,

17 “(B) meets the applicable requirements for  
18 State certification, licensure, or permitting  
19 under State law for early childhood education,

20 “(C) has primary responsibility for the  
21 learning and development of children in an  
22 early childhood education program (as defined  
23 in section 103 of the Higher Education Act of  
24 1965 (20 U.S.C. 1003)) for not less than 75  
25 percent of the normal or statutory number of

hours of work for a full-time teacher over a complete program year, as determined by the Secretary of Health and Human Services, and

“(D) has met the requirements of subparagraphs (A), (B), and (C) for a period of not less than 1 year before the first day of the taxable year.

“(d) QUALIFYING SCHOOL.—

“(1) IN GENERAL.—The term ‘qualifying school’ means, with respect to any school year—

“(A) a public elementary school or a public secondary school that—

“(i) is served by a local educational agency that is eligible in such year for assistance pursuant to part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), or

“(ii) is served by an educational service agency, or a location operated by an educational service agency, that is eligible, for the year in which the determination is made, for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.),

1           “(B) an elementary school or secondary  
2 school that is funded by the Bureau of Indian  
3 Education, or

4           “(C) an early childhood education program  
5 (as defined in section 103 of the Higher Edu-  
6 cation Act of 1965 (20 U.S.C. 1003)) that  
7 serves children who receive, or are eligible for,  
8 services for which financial assistance is pro-  
9 vided in accordance with the Child Care and  
10 Development Block Grant of 1990 (42 U.S.C.  
11 9857 et seq.) or the child and adult care food  
12 program established under section 17 of the  
13 Richard B. Russell National School Lunch Act  
14 (42 U.S.C. 1766).

15           “(2) ESEA DEFINITIONS.—For purposes of  
16 this subsection, the terms ‘educational service agen-  
17 cy’, ‘elementary school’, ‘local educational agency’,  
18 ‘secondary school’, and ‘State educational agency’  
19 have the meanings given such terms in section 8101  
20 of the Elementary and Secondary Education Act of  
21 1965 (20 U.S.C. 7801).

22           “(e) STUDENT POVERTY RATIO.—

23           “(1) IN GENERAL.—The term ‘student poverty  
24 ratio’ means—

1 “(A) with respect to any qualifying school  
2 described in subparagraph (A) or (B) of sub-  
3 section (d)(1), the ratio (expressed as a per-  
4 centage) of—

5 “(i) the total number of children  
6 served at such qualifying school meeting at  
7 least one measure of poverty described in  
8 section 1113(a)(5) of the Elementary and  
9 Secondary Education Act of 1965 (20  
10 U.S.C. 6313(a)(5)), to

11 “(ii) the total number of children  
12 served at such qualifying school, and

13 “(B) with respect to any qualifying school  
14 described in subsection (d)(1)(C), the ratio (ex-  
15 pressed as a percentage) of—

16 “(i) the total number of children at-  
17 tending such qualifying school who are eli-  
18 gible for services under the Child Care and  
19 Development Block Grant of 1990 (42  
20 U.S.C. 9857 et seq.) or for the child and  
21 adult care food program established under  
22 section 17 of the Richard B. Russell Na-  
23 tional School Lunch Act (42 U.S.C. 1766),  
24 to

1 “(ii) the total number of children at-  
 2 tending such qualifying school.

3 “(2) DETERMINATION OF RATIO.—In deter-  
 4 mining the student poverty ratio with respect to a  
 5 qualifying school under paragraph (1)(A), the Sec-  
 6 retary shall use the same measure of poverty as is  
 7 used for purposes of determining the allocation of  
 8 funds under part A of title I of the Elementary and  
 9 Secondary Education Act of 1965 (20 U.S.C. 6311  
 10 et seq.) with respect to the qualifying school.

11 “(f) INFLATION ADJUSTMENT.—

12 “(1) IN GENERAL.—In the case of any taxable  
 13 year beginning after 2026, each of the dollar  
 14 amounts in subsections (a) and (b) shall be in-  
 15 creased by an amount equal to—

16 “(A) such dollar amount, multiplied by

17 “(B) the cost-of-living adjustment deter-  
 18 mined under section 1(f)(3) for the calendar  
 19 year in which the taxable year begins, deter-  
 20 mined by substituting in subparagraph (A)(ii)  
 21 thereof ‘calendar year 2025’ for ‘calendar year  
 22 2016’.

23 “(2) ROUNDING.—If any increase determined  
 24 under paragraph (1) is not a multiple of \$50, such



1 increase shall be rounded to the nearest multiple of  
 2 \$50.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) The table of sections for subpart C of  
 5 part IV of subchapter A of chapter 1 of the In-  
 6 ternal Revenue Code of 1986 is amended by in-  
 7 serting after the item relating to section 36B  
 8 the following new item:

“Sec. 36C. Teacher tax credit.”.

9 (B) Section 6211(b)(4)(A) of such Code is  
 10 amended by inserting “36C,” after “36B,”.

11 (C) Section 1324(b)(2) of title 31, United  
 12 States Code, is amended by inserting “36C,”  
 13 after “36B,”.

14 (b) INFORMATION SHARING.—

15 (1) IN GENERAL.—The Secretary of Education  
 16 shall—

17 (A) collect such information as necessary  
 18 for purposes of determining whether a school is  
 19 a qualifying school (as defined in section 36C of  
 20 the Internal Revenue Code of 1986, as added  
 21 by subsection (a)) and the appropriate amount  
 22 of tax credit under such section; and

23 (B) provide such information to the Sec-  
 24 retary of the Treasury (or the Secretary’s dele-  
 25 gate).

1           (2) INFORMATION FOR THE SECRETARY OF  
2 EDUCATION.—As a condition of receiving Federal  
3 funds and if requested by the Secretary of Edu-  
4 cation, each qualifying school shall collect and sub-  
5 mit to the Secretary of Education such information  
6 as may be necessary to enable the Secretary of Edu-  
7 cation to carry out paragraph (1).

8           (c) SUPPLEMENTATION OF FUNDS.—

9           (1) ELEMENTARY AND SECONDARY EDU-  
10 CATION.—A State educational agency or local edu-  
11 cational agency (as such terms are defined in section  
12 8101 of the Elementary and Secondary Education  
13 Act of 1965 (20 U.S.C. 7801)) shall not reduce or  
14 adjust any teacher pay or teacher loan forgiveness  
15 program due to the eligibility of teachers within the  
16 jurisdiction of such agency for the tax credit under  
17 section 36C of the Internal Revenue Code of 1986.  
18 Each State educational agency and local educational  
19 agency (as so defined), upon request by the Sec-  
20 retary of the Treasury, shall demonstrate that the  
21 methodology used to allocate teacher pay and teach-  
22 er loan forgiveness (if applicable) to qualifying  
23 schools (as defined in section 36C(d) of such Code)  
24 ensures that each such school receives the same  
25 State and local funds for teacher compensation it

1 would receive if the credit under such section 36C  
2 had not been enacted.

3 (2) EARLY CHILDHOOD EDUCATION.—An agen-  
4 cy or other entity that funds, licenses, or regulates  
5 an early childhood education program (as defined in  
6 section 103 of the Higher Education Act of 1965  
7 (20 U.S.C. 1003)) shall not reduce or adjust any  
8 teacher pay or teacher loan forgiveness program, or  
9 permit such a reduction or adjustment in the early  
10 childhood education program, due to the eligibility of  
11 teachers within the jurisdiction of such agency for  
12 the tax credit under section 36C of the Internal Rev-  
13 enue Code of 1986. Each such agency or entity,  
14 upon request by the Secretary of the Treasury, shall  
15 demonstrate that the methodology used to allocate  
16 teacher pay and teacher loan forgiveness (if applica-  
17 ble) to such early childhood education programs en-  
18 sures that each such program receives the same  
19 State and local funds for teacher compensation it  
20 would receive if the credit under such section 36C  
21 had not been enacted.

22 (d) EMPLOYER LIMITATIONS.—

23 (1) PROHIBITION OF USE IN COLLECTIVE BAR-  
24 GAINING.—An employer that engages in collective  
25 bargaining with employees who are eligible edu-

1 cators, as defined in section 36C(c) of the Internal  
 2 Revenue Code of 1986, shall not include the amount  
 3 of the teacher tax credit under section 36C of such  
 4 Code in determining the amount of salary or other  
 5 compensation provided to any employee under the  
 6 collective bargaining agreement.

7 (2) PROHIBITION OF USE AS PUNISHMENT OR  
 8 RETRIBUTION.—An employer of an eligible educator,  
 9 as defined in section 36C of the Internal Revenue  
 10 Code of 1986, shall not change the work assignment  
 11 or location of the eligible educator if one of the pri-  
 12 mary reasons for the change is to—

13 (A) prevent the eligible educator from re-  
 14 ceiving a teacher tax credit under section 36C  
 15 of such Code; or

16 (B) reduce the amount of the teacher tax  
 17 credit that the eligible educator will receive.

18 (3) ENFORCEMENT.—Notwithstanding any  
 19 other provision of law, the Federal Labor Relations  
 20 Authority shall have the authority to investigate and  
 21 enforce any alleged violation of this section in the  
 22 same manner, and subject to the same procedures,  
 23 as would apply to an allegation of an unfair labor  
 24 practice under section 7118 of title 5, United States  
 25 Code.

1 (4) DEFINITION.—In this subsection—

2 (A) the term “affecting commerce” has the  
3 meaning given the term in section 2 of the Na-  
4 tional Labor Relations Act (29 U.S.C. 152);

5 (B) the term “employee” means an em-  
6 ployee of an employer who is employed in a  
7 business of an employer that affects commerce;  
8 and

9 (C) the term “employer” means a person,  
10 including a State or political subdivision of a  
11 State, engaged in a business affecting com-  
12 merce.

13 (e) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 the date of the enactment of this Act.

16 **SEC. 3. INCREASE IN AND EXPANSION OF DEDUCTION FOR**  
17 **EXPENSES OF ELEMENTARY AND SEC-**  
18 **ONDARY SCHOOL TEACHERS.**

19 (a) INCREASE.—

20 (1) IN GENERAL.—Subparagraph (D) of section  
21 62(a)(2) of the Internal Revenue Code of 1986 is  
22 amended by striking “\$250” and inserting “\$500”.

23 (2) INFLATION ADJUSTMENT.—Section  
24 62(d)(3) of such Code is amended—

1 (A) by striking “2015” and inserting  
2 “2026”;

3 (B) by striking “the \$250 amount” and in-  
4 serting “each of the dollar amounts”; and

5 (C) by striking “2014” in subparagraph  
6 (B) thereof and inserting “2025”.

7 (b) EXPANSION TO EARLY CHILDHOOD EDU-  
8 CATORS.—Section 62(d)(1)(A) of the Internal Revenue  
9 Code of 1986 is amended—

10 (1) by striking “who is a kindergarten” and in-  
11 serting “who is—

12 “(i) a kindergarten”;

13 (2) by striking the period at the end and insert-  
14 ing “, or”; and

15 (3) by adding at the end the following new sub-  
16 paragraph:

17 “(ii) an early childhood educator (as  
18 defined in section 200 of the Higher Edu-  
19 cation Act of 1965 (20 U.S.C. 1021)) in  
20 an early childhood education program (as  
21 defined in section 103 of such Act (20  
22 U.S.C. 1003)) for at least 1,020 hours  
23 during a year.”.

24 (c) EFFECTIVE DATE.—The amendments made by  
25 this section shall apply to amounts paid or incurred in tax-

1 able years beginning after the date of the enactment of  
2 this Act.

3 **SEC. 4. MANDATORY FUNDING TO SUPPORT LOCAL EDU-**  
4 **CATIONAL AGENCIES THAT MAINTAIN OR IN-**  
5 **CREASE TEACHER SALARIES.**

6 Section 2003 of the Elementary and Secondary Edu-  
7 cation Act of 1965 (20 U.S.C. 6603) is amended—

8 (1) in the section heading, by striking “**AU-**  
9 **THORIZATION OF APPROPRIATIONS**” and insert-  
10 ing “**FUNDING**”; and

11 (2) by striking subsection (a) and inserting the  
12 following:

13 “(a) APPROPRIATIONS FOR PART A.—

14 “(1) IN GENERAL.—There are authorized to be  
15 appropriated, and there are appropriated, out of any  
16 funds not otherwise appropriated—

17 “(A) for fiscal year 2026, \$5,200,000,000  
18 to carry out part A; and

19 “(B) for fiscal year 2027 and each suc-  
20 ceeding fiscal year, the amount appropriated  
21 under this paragraph for the preceding year, in-  
22 creased by a percentage equal to the annual  
23 percentage increase in the Consumer Price  
24 Index for All Urban Consumers published by

1 the Department of Labor for the most recent  
2 calendar year.

3 “(2) RESERVATION FOR TEACHER SALARY IN-  
4 CENTIVE GRANTS.—

5 “(A) DEFINITIONS.—In this paragraph:

6 “(i) ELIGIBLE LOCAL EDUCATIONAL  
7 AGENCY.—The term ‘eligible local edu-  
8 cational agency’ means a local educational  
9 agency that, for the preceding school year,  
10 maintained or increased the salary sched-  
11 ule for all teachers employed by the local  
12 educational agency.

13 “(ii) TEACHER SALARY INCENTIVE  
14 RESERVATION.—The term ‘teacher salary  
15 incentive reservation’ means, for each fis-  
16 cal year, the amount that is 20 percent of  
17 the amount by which the funds appro-  
18 priated under paragraph (1) for the fiscal  
19 year exceeds \$2,200,000,000.

20 “(B) IN GENERAL.—For each fiscal year  
21 for which the total amount appropriated under  
22 paragraph (1) is greater than \$2,200,000,000,  
23 the Secretary shall, after making any reserva-  
24 tions under section 2101(a), reserve and use  
25 the teacher salary incentive reservation to



1       award grants, based on allotments under sub-  
2       paragraph (C), to eligible local educational  
3       agencies for purposes described in subpara-  
4       graph (E).

5               “(C) ALLOTMENTS.—An allotment under  
6       this subparagraph for a fiscal year to an eligible  
7       local educational agency shall bear the same re-  
8       lationship to the teacher salary incentive res-  
9       ervation as the number of children counted  
10      under section 1124(c) who are served by the  
11      local educational agency bears to the total num-  
12      ber of such children counted under such section  
13      served by all eligible local educational agencies  
14      that submitted an application under subpara-  
15      graph (D).

16              “(D) APPLICATION.—An eligible local edu-  
17      cational agency desiring an allotment under this  
18      paragraph shall submit to the Secretary an ap-  
19      plication at such time, in such manner, and  
20      containing such information as the Secretary  
21      may require.

22              “(E) USE OF FUNDS.—A local educational  
23      agency receiving an allotment under subpara-  
24      graph (C) may use the allotment to carry out  
25      one or more of the following:

1 “(i) Comprehensive teacher or school  
2 leader preparation programs described sub-  
3 section (d), (e), or (f) of section 202 of the  
4 Higher Education Act of 1965.

5 “(ii) Support for teachers to earn cer-  
6 tifications or credentials in high-need fields  
7 or advanced credentials, such as certifi-  
8 cation or credentialing by the National  
9 Board for Professional Teaching Stand-  
10 ards.

11 “(iii) Teacher leadership programs.

12 “(iv) Induction or mentoring pro-  
13 grams for new teachers, principals, or  
14 other school leaders.

15 “(v) High-quality research-based pro-  
16 fessional development.

17 “(vi) Other activities approved by the  
18 Secretary that—

19 “(I) promote and strengthen the  
20 teaching profession;

21 “(II) attract, retain, and diver-  
22 sify the educator workforce; or

23 “(III) advance the skills and effi-  
24 cacy of the educator workforce.

1           “(F) SUPPLEMENT, NOT SUPPLANT.—A  
2           local educational agency receiving an allotment  
3           under subparagraph (C) shall use the allotment  
4           to supplement, and not supplant, any State  
5           funds or efforts to raise teacher pay.”.

○