

106TH CONGRESS  
1ST SESSION

# S. 1423

To amend the Internal Revenue Code of 1986 to exclude from income \$40,000 of the salary of certain teachers who teach in high-poverty schools.

---

IN THE SENATE OF THE UNITED STATES

JULY 22, 1999

Mr. SCHUMER 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 exclude from income \$40,000 of the salary of certain teachers who teach in high-poverty 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 “Teacher Tax Relief  
5 Act of 1999”.

6 **SEC. 2. EXCLUSION FROM GROSS INCOME OF WAGES OF**  
7 **CERTAIN TEACHERS IN HIGH-POVERTY**  
8 **SCHOOLS.**

9 (a) IN GENERAL.—Part III of subchapter B of chap-  
10 ter 1 of the Internal Revenue Code of 1986 (relating to

1 items specifically excluded from gross income) is amended  
 2 by redesignating section 138 as section 139 and by insert-  
 3 ing after section 137 the following new section:

4 **“SEC. 138. WAGES OF TEACHERS IN HIGH-POVERTY**  
 5 **SCHOOLS.**

6 “(a) IN GENERAL.—Gross income does not include  
 7 amounts received as wages by a qualified teacher employed  
 8 at a high-poverty school.

9 “(b) LIMITATIONS.—

10 “(1) AMOUNT OF EXCLUSION.—The amount ex-  
 11 cluded under subsection (a) for any taxable year  
 12 shall not exceed \$40,000.

13 “(2) ADJUSTED GROSS INCOME.—The exclusion  
 14 under subsection (a) shall not apply to any taxpayer  
 15 whose adjusted gross income for the taxable year ex-  
 16 ceeds \$120,000.

17 “(c) QUALIFIED TEACHER DEFINED.—For purposes  
 18 of this section—

19 “(1) IN GENERAL.—The term ‘qualified teach-  
 20 er’ means an academic teacher, a special education  
 21 teacher, or a bilingual teacher. The term does not  
 22 include an individual teaching under an emergency  
 23 or other provisional status in which any State teach-  
 24 ing qualification or licensing criteria have been  
 25 waived.

1           “(2) ACADEMIC TEACHER.—The term ‘aca-  
 2       demic teacher’ means an individual who meets all of  
 3       the following criteria:

4           “(A) The teacher has performed at a high  
 5       level on academic subject matter tests, or has a  
 6       bachelor’s degree or higher with an academic  
 7       major in each of the subjects taught by the  
 8       teacher.

9           “(B) The principal of the school where the  
 10      teacher is assigned asserts that the teacher is  
 11      qualified to provide instruction in each aca-  
 12      demic course and in each grade level taught at  
 13      the school.

14          “(C) In the case of a teacher of students  
 15      in elementary school, the teacher must have  
 16      demonstrated the teaching skill and general  
 17      subject matter knowledge required to teach ef-  
 18      fectively in reading, writing, mathematics, social  
 19      studies, science, and other elements of a liberal  
 20      arts education.

21          “(D) In the case of a teacher of students  
 22      in middle school or secondary school, the teach-  
 23      er must have demonstrated a high level of  
 24      teaching skill and subject matter knowledge in  
 25      all of the subject areas that they teach.

1       “(d) OTHER DEFINITIONS.—For purposes of this  
2 section—

3           “(1) ACADEMIC SUBJECTS.—The term ‘aca-  
4 demic subjects’ includes English, language arts, so-  
5 cial studies, history, mathematics, science, and re-  
6 lated subjects.

7           “(2) HIGH-POVERTY SCHOOL.—The term ‘high-  
8 poverty school’ means a school in which at least 50  
9 percent of the students attending such school are eli-  
10 gible for free or reduced-cost lunches under the  
11 school lunch program established under the National  
12 School Lunch Act.

13           “(3) SCHOOL.—The term ‘school’ means any  
14 public school which provides elementary education or  
15 secondary education (through grade 12), as deter-  
16 mined under State law.

17           “(4) WAGES.—The term ‘wages’ has the mean-  
18 ing provided by section 3401(a).”.

19       (b) CLERICAL AMENDMENT.—The table of sections  
20 for part III of subchapter B of chapter 1 of such Code  
21 is amended by striking the item relating to section 139  
22 and inserting the following:

“Sec. 138. Wages of teachers in high-poverty schools.  
“Sec. 139. Cross references to other Acts.”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts received in taxable  
3 years beginning after December 31, 1999.

○