

108TH CONGRESS
2D SESSION

H. R. 4034

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for teacher classroom supply expenses, for improving elementary and secondary education, and for contributions for scholarships to attend elementary and secondary schools, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 2004

Mr. DEMINT (for himself, Mrs. MUSGRAVE, Mr. BARRETT of South Carolina, and Mr. HOEKSTRA) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for teacher classroom supply expenses, for improving elementary and secondary education, and for contributions for scholarships to attend elementary and secondary schools, 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 “National Education
5 Advancement (NEA) and Teacher Relief Act”.

1 **SEC. 2. CREDIT FOR CONTRIBUTIONS FOR THE BENEFIT OF**
 2 **ELEMENTARY AND SECONDARY SCHOOLS.**

3 (a) IN GENERAL.—Subpart B of part IV of sub-
 4 chapter A of chapter 1 of the Internal Revenue Code of
 5 1986 is amended by adding at the end the following new
 6 section:

7 **“SEC. 30B. CREDIT FOR CONTRIBUTIONS FOR THE BENEFIT**
 8 **OF ELEMENTARY AND SECONDARY SCHOOLS.**

9 “(a) ALLOWANCE OF CREDIT.—There shall be al-
 10 lowed as a credit against the tax imposed by this chapter
 11 for the taxable year an amount equal to 75 percent of the
 12 qualified charitable contributions of the taxpayer for the
 13 taxable year.

14 “(b) MAXIMUM CREDIT.—

15 “(1) INDIVIDUALS.—In the case of a taxpayer
 16 other than a corporation, the credit allowed by sub-
 17 section (a) for any taxable year shall not exceed
 18 \$500 (\$1,000 in the case of a joint return).

19 “(2) CORPORATIONS.—In the case of a corpora-
 20 tion, the credit allowed by subsection (a) shall not
 21 exceed \$100,000.

22 “(c) QUALIFIED CHARITABLE CONTRIBUTION.—For
 23 purposes of this section—

24 “(1) IN GENERAL.—The term ‘qualified chari-
 25 table contribution’ means, with respect to any tax-
 26 able year, the aggregate amount allowable as a de-

duction under section 170 (determined without regard to subsection (d)(1)) for cash contributions—

“(A) to a school tuition organization,

“(B) for the improvement, renovation, or construction of a school facility that is used primarily to provide education at the elementary or secondary level, and

“(C) for the acquisition of computer technology or equipment (as defined in subparagraph (E)(i) of section 170(e)(6)), or for training related to the use of such technology or equipment, for use in a school facility described in subparagraph (B).

“(2) CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.—

“(A) IN GENERAL.—In the case of an individual who is an eligible educator, the term ‘qualified charitable contribution’ includes amounts allowable as a deduction by section 162 paid or incurred by the eligible educator in connection with books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary mate-

1 rials used by the eligible educator in the class-
2 room.

3 “(B) COORDINATION WITH EXCLUSIONS.—

4 An amount shall be allowed as a credit under
5 this section for expenses described in subpara-
6 graph (A) only to the extent the amount of
7 such expenses exceeds the amount excludable
8 under section 135, 529(c)(1), or 530(d)(2) for
9 the taxable year.

10 “(3) SCHOOL TUITION ORGANIZATION.—

11 “(A) IN GENERAL.—The term ‘school tui-
12 tion organization’ means any organization
13 which—

14 “(i) is described in section 170(c)(2),

15 “(ii) allocates at least 90 percent of
16 its gross income and contributions and
17 gifts to elementary and secondary school
18 scholarships, and

19 “(iii) awards scholarships to any stu-
20 dent who is eligible for free or reduced cost
21 lunch under the school program established
22 under the Richard B. Russell National
23 School Lunch Act.

24 “(B) ELEMENTARY AND SECONDARY
25 SCHOOL SCHOLARSHIP.—The term ‘elementary

1 and secondary school scholarship’ means any
2 scholarship excludable from gross income under
3 section 117 for expenses related to education at
4 or below the 12th grade level.

5 “(4) ELIGIBLE EDUCATOR.—

6 “(A) IN GENERAL.—The term ‘eligible ed-
7 ucator’ means, with respect to any taxable year,
8 an individual who is a kindergarten through
9 grade 12 teacher, instructor, counselor, prin-
10 cipal, or aide in a school for at least 900 hours
11 during a school year.

12 “(B) SCHOOL.—For purposes of subpara-
13 graph (A), the term ‘school’ means any school
14 which provides elementary education or sec-
15 ondary education (kindergarten through grade
16 12), as determined under State law.

17 “(5) SCHOOL FACILITY.—The term ‘school fa-
18 cility’ shall not include any stadium or other facility
19 primarily used for athletic contests or exhibitions or
20 other events for which admission is charged to the
21 general public.

22 “(d) SPECIAL RULES.—

23 “(1) DENIAL OF DOUBLE BENEFIT.—Amounts
24 taken into account under subsection (a) shall not be

1 taken into account in determining any deduction al-
2 lowed under section 162 or 170.

3 “(2) APPLICATION WITH OTHER CREDITS.—

4 The credit allowable under subsection (a) for any
5 taxable year shall not exceed the excess (if any) of—

6 “(A) the regular tax for the taxable year,
7 reduced by the sum of the credits allowable
8 under subpart A and the preceding sections of
9 this subpart, over

10 “(B) the tentative minimum tax for the
11 taxable year.

12 “(e) ELECTION TO HAVE CREDIT NOT APPLY.—A
13 taxpayer may elect to have this section not apply for any
14 taxable year.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 for subpart B of part IV of subchapter A of chapter 1
17 of such Code is amended by adding at the end the fol-
18 lowing new item:

“Sec. 30B. Credit for contributions for the benefit of elementary and secondary
schools.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2003.

1 **SEC. 3. REVISION OF DEFINITION OF SCHOOL FOR PUR-**
2 **POSES OF QUALIFIED ELEMENTARY AND**
3 **SECONDARY EDUCATION EXPENSES.**

4 (a) IN GENERAL.—Paragraph (4) of section 530(b)
5 of the Internal Revenue Code of 1986 (defining qualified
6 elementary and secondary education expenses) is amend-
7 ed—

8 (1) in clauses (i) and (ii) of subparagraph (A),
9 by striking “public, private, or religious”, and

10 (2) in subparagraph (B), by inserting after
11 “any school” the following: “, including a public,
12 private, religious, or home school,”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2003.

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