

109TH CONGRESS
1ST SESSION

H. R. 402

To amend the Internal Revenue Code of 1986 to provide a tax credit for elementary and secondary school teachers.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2005

Mr. PAUL (for himself, Mr. MILLER of Florida, Ms. MILLENDER-McDONALD, Mr. RYUN of Kansas, and Mr. DAVIS of Tennessee) 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 provide a tax credit for elementary and secondary school 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. SHORT TITLE.**

4 This Act may be cited as the “Teacher Tax Cut Act
5 of 2005”.

6 **SEC. 2. CREDIT FOR TEACHERS OF ELEMENTARY OR SEC-**
7 **ONDARY SCHOOLS.**

8 (a) IN GENERAL.—Subpart A of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of
10 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 25B the following new
2 section:

3 **“SEC. 25C. ELEMENTARY AND SECONDARY SCHOOL TEACH-**
4 **ERS.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
6 gible individual, there shall be allowed as a credit against
7 the tax imposed by this chapter for the taxable year an
8 amount equal to \$1,000.

9 “(b) DEFINITIONS.—

10 “(1) ELIGIBLE INDIVIDUAL.—

11 “(A) IN GENERAL.—Except as provided in
12 subparagraph (B), for purposes of subsection
13 (a), the term ‘eligible individual’ means an indi-
14 vidual who—

15 “(i) is a teacher in an elementary or
16 secondary school, and

17 “(ii) is employed on a full-time basis
18 for an academic year ending during the
19 taxable year.

20 “(B) EXCLUDED INDIVIDUALS.—Such
21 term does not include an individual who is em-
22 ployed, on a full-time basis for such academic
23 year, as other staff (as defined in section
24 9101(29) of the Elementary and Secondary
25 Education Act of 1965 (20 U.S.C. 7801(29))).

1 “(2) ELEMENTARY OR SECONDARY SCHOOL.—

2 The term ‘elementary or secondary school’ means
3 any organization described in section
4 170(b)(1)(A)(ii) which provides education solely at
5 or below the 12th grade.

6 “(c) COST-OF-LIVING ADJUSTMENT.—

7 “(1) IN GENERAL.—In the case of any taxable
8 year beginning in a calendar year after 2005, the
9 \$1000 amount contained in subsection (a) shall be
10 increased by an amount equal to—

11 “(A) \$1000, multiplied by

12 “(B) the cost-of-living adjustment deter-
13 mined under section 1(f)(3) for the calendar
14 year in which the taxable year begins, by sub-
15 stituting ‘calendar year 2004’ for ‘calendar year
16 1992’ in subparagraph (B) thereof.

17 “(2) ROUNDING.—If any increase determined
18 under paragraph (1) is not a multiple of \$10, such
19 increase shall be rounded to the next highest mul-
20 tiple of \$10. In the case of a married individual (as
21 determined under section 7703) filing a separate re-
22 turn, the preceding sentence shall be applied by sub-
23 stituting ‘\$5’ for ‘\$10’ each place it appears.

24 “(d) REGULATIONS.—The Secretary shall prescribe
25 regulations to carry out this section, including regulations

1 providing for claiming the credit under this section on
2 Form 1040EZ.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for subpart A of part IV of subchapter A of chapter 1
5 of such Code is amended by inserting after the item relat-
6 ing to section 25B the following new item:

“Sec. 25C. Elementary and secondary school teachers.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2004.

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