

110TH CONGRESS
1ST SESSION

S. 873

To amend the Internal Revenue Code of 1986 to provide a tax incentive to individuals teaching in elementary and secondary schools located in rural or high unemployment areas and to individuals who achieve certification from the National Board for Professional Teaching Standards, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 14, 2007

Mr. ROCKEFELLER 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 provide a tax incentive to individuals teaching in elementary and secondary schools located in rural or high unemployment areas and to individuals who achieve certification from the National Board for Professional Teaching Standards, 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 “Incentives to Educate
5 American Children (I Teach) Act of 2007”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) An estimated 2,000,000 new teachers will
5 be needed over the next decade.

6 (2) Under the No Child Left Behind Act of
7 2001, States were to recruit qualified teachers by
8 2006, but, according to the Secretary of Education’s
9 fifth report on teacher quality, over 30,000 teachers
10 must have waivers.

11 (3) Fourteen percent of America’s school chil-
12 dren attend rural schools, and according to the
13 Rural School and Community Trust 2000 report,
14 “Why Rural Matters”, rural education is crucial or
15 very important to overall education performance in
16 25 States, so recruitment and retention of teachers
17 is essential.

18 (4) A 2000 study by the Education Trust re-
19 ports that high poverty schools are twice as likely
20 not to have teachers certified in their fields than
21 other schools, which highlights that high poverty
22 schools will need special help to meet the goals of
23 the No Child Left Behind Act of 2001.

24 (5) The National Board for Professional Teach-
25 ing Standards was founded in 1987 as a follow up
26 to the landmark 1983 report, “A Nation at Risk”,

1 by the Carnegie Task Force on Teaching. The Na-
2 tional Board for Professional Teaching Standards is
3 an independent, nonprofit, and nonpartisan organi-
4 zation the mission of which is to establish high and
5 rigorous standards for what accomplished teachers
6 should know and be able to do.

7 (6) Over 55,000 teachers from all 50 States
8 and the District of Columbia have completed certifi-
9 cation by the National Board for Professional
10 Teaching Standards, which certification is a rigorous
11 assessment process for teachers.

12 (7) Recent data from the Accomplished Teach-
13 ing Validation Study have demonstrated that teach-
14 ers who are certified by the National Board for Pro-
15 fessional Teaching Standards significantly out-
16 perform their peers who are not National Board cer-
17 tified on 11 of 13 key measures of teaching exper-
18 tise.

19 (8) According to the most recent report on
20 teachers salaries by the National Education Associa-
21 tion, the average salary for a classroom teacher is
22 \$47,750, and analysis by the Economic Policy Insti-
23 tute shows that teachers wages have grown consider-
24 ably slower than wages of college graduates in gen-
25 eral.

1 (b) PURPOSES.—The purposes of this Act are as fol-
 2 lows:

3 (1) To encourage teachers, through a refund-
 4 able tax credit, to work in public elementary and
 5 secondary schools located in rural areas or schools
 6 with high poverty.

7 (2) To provide an additional tax credit to teach-
 8 ers who achieve certification from the National
 9 Board for Professional Teaching Standards in order
 10 to recruit and retain highly qualified teachers in
 11 public elementary and secondary schools.

12 **SEC. 3. REFUNDABLE TAX CREDIT FOR INDIVIDUALS**
 13 **TEACHING IN ELEMENTARY AND SECONDARY**
 14 **SCHOOLS LOCATED IN HIGH POVERTY OR**
 15 **RURAL AREAS AND CERTIFIED TEACHERS.**

16 (a) IN GENERAL.—Subpart C of part IV of sub-
 17 chapter A of chapter 1 of the Internal Revenue Code of
 18 1986 (relating to refundable credits) is amended by redes-
 19 ignating section 36 as section 37 and by inserting after
 20 section 35 the following new section:

1 **“SEC. 36. TAX CREDIT FOR INDIVIDUALS TEACHING IN ELE-**
 2 **MENTARY AND SECONDARY SCHOOLS LO-**
 3 **CATED IN HIGH POVERTY OR RURAL AREAS**
 4 **AND CERTIFIED TEACHERS.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
 6 gible teacher, there shall be allowed as a credit against
 7 the tax imposed by this subtitle for the taxable year an
 8 amount equal to the applicable amount for the eligible aca-
 9 demic year ending during such taxable year.

10 “(b) APPLICABLE AMOUNT.—For purposes of this
 11 section—

12 “(1) TEACHERS IN SCHOOLS IN RURAL AREAS
 13 OR SCHOOLS WITH HIGH POVERTY.—

14 “(A) IN GENERAL.—In the case of an eligi-
 15 ble teacher who performs services in a public
 16 kindergarten or a public elementary or sec-
 17 ondary school described in subparagraph (B)
 18 during the eligible academic year, the applicable
 19 amount is \$1,000.

20 “(B) SCHOOL DESCRIBED.—A public kin-
 21 dergarten or a public elementary or secondary
 22 school is described in this subparagraph if—

23 “(i) at least 75 percent of the stu-
 24 dents attending such kindergarten or
 25 school receive free or reduced-cost lunches
 26 under the school lunch program established

1 under the Richard B. Russell National
2 School Lunch Act, or

3 “(ii) such kindergarten or school has
4 a School Locale Code of 7 or 8, as deter-
5 mined by the Secretary of Education.

6 “(2) CERTIFIED TEACHERS.—In the case of an
7 eligible teacher who is certified by the National
8 Board for Professional Teaching Standards for the
9 eligible academic year, the applicable amount is
10 \$1,000.

11 “(3) CERTIFIED TEACHERS IN SCHOOLS IN
12 RURAL AREAS OR SCHOOLS WITH HIGH POVERTY.—
13 In the case of an eligible teacher described in para-
14 graphs (1) and (2), the applicable amount is \$2,000.

15 “(c) ELIGIBLE TEACHER.—For purposes of this sec-
16 tion, the term ‘eligible teacher’ means, for any eligible aca-
17 demic year, an individual who is a kindergarten through
18 grade 12 classroom teacher or instructor in a public kin-
19 dergarten or a public elementary or secondary school on
20 a full-time basis for such eligible academic year.

21 “(d) ADDITIONAL DEFINITIONS.—For purposes of
22 this section—

23 “(1) ELEMENTARY AND SECONDARY
24 SCHOOLS.—The terms ‘elementary school’ and ‘sec-
25 ondary school’ have the respective meanings given

“(2) ELIGIBLE ACADEMIC YEAR.—The term ‘eligible academic year’ means any academic year ending in a taxable year beginning after December 31, 2007.”.

7 (b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period “, or from section 36 of such Code”.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 36 and inserting the following new items:

“Sec. 36. Tax credit for individuals teaching in elementary and secondary schools located in high poverty or rural areas and certified teachers.

“Sec. 37. Overpayments of tax.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to academic years ending in taxable years beginning after December 31, 2007.

•S 873 IS