

107TH CONGRESS
1ST SESSION

H. R. 102

To amend the Internal Revenue Code of 1986 to encourage stronger math and science programs at elementary and secondary schools.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2001

Mr. EHLERS (for himself, Mr. KOLBE, Mr. HORN, Mr. BACA, Mr. SANDLIN, Mr. CAMP, Mr. FILNER, and Mr. GIBBONS) 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 encourage stronger math and science programs at elementary and secondary 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 “National Science Edu-
5 cation Incentive Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) As concluded in the report of the Com-
9 mittee on Science of the House of Representatives,

1 “Unlocking Our Future Toward a New National
2 Science Policy,” which was adopted by the House of
3 Representatives, the United States must maintain
4 and improve its preeminent position in science and
5 technology in order to advance human under-
6 standing of the universe and all it contains, and to
7 improve the lives, health, and freedoms of all people.

8 (2) It is estimated that more than half of the
9 economic growth of the United States today results
10 directly from research and development in science
11 and technology. The most fundamental research is
12 responsible for investigating our perceived universe,
13 to extend our observations to the outer limits of
14 what our minds and methods can achieve, and to
15 seek answers to questions that have never been
16 asked before. Applied research continues the process
17 by applying the answers from basic science to the
18 problems faced by individuals, organizations, and
19 governments in the everyday activities that make our
20 lives more livable. The scientific-technological sector
21 of our economy, which has driven our recent eco-
22 nomic boom and led the United States to the longest
23 period of prosperity in history, is fueled by the work
24 and discoveries of the scientific community.

1 (3) The effectiveness of the United States in
2 maintaining this economic growth will be largely de-
3 termined by the intellectual capital of the United
4 States. Education is critical to developing this re-
5 source.

6 (4) The education program of the United States
7 needs to provide for 3 different kinds of intellectual
8 capital. First, it needs scientists and engineers to
9 continue the research and development that is cen-
10 tral to the economic growth of the United States.
11 Second, it needs technologically proficient workers
12 who are comfortable and capable dealing with the
13 demands of a science-based, high-technology work-
14 place. Last, it needs scientifically literate voters and
15 consumers to make intelligent decisions about public
16 policy.

17 (5) Student performance on the recent Third
18 International Math and Science Study highlights the
19 shortcomings of current K–12 science and mathe-
20 matics education in the United States, particularly
21 when compared to other countries. We must expect
22 more from our Nation’s educators and students if
23 we are to build on the accomplishments of previous
24 generations. New methods of teaching mathematics

1 and science are required, as well as better curricula
2 and improved training of teachers.

3 (6) Science is more than a collection of facts,
4 theories, and results. It is a process of inquiry built
5 upon observations and data that leads to a way of
6 knowing and explaining in logically derived concepts
7 and theories.

8 (7) Students should learn science primarily by
9 doing science. Science education ought to reflect the
10 scientific process and be object-oriented, experiment-
11 centered, and concept-based.

12 (8) Children are naturally curious and inquisi-
13 tive. To successfully tap into these innate qualities,
14 education in science must begin at an early age and
15 continue throughout the entire school experience.

16 (9) Teachers provide the essential connection
17 between students and the content they are learning.
18 High-quality prospective teachers need to be identi-
19 fied and recruited by presenting to them a career
20 that is respected by their peers, is financially and in-
21 tellectually rewarding, and contains sufficient oppor-
22 tunities for advancement.

23 (10) Teachers need to have incentives to remain
24 in the classroom and improve their practice, and
25 training of teachers is essential if the results are to

1 be good. Teachers need to be knowledgeable of their
2 content area, of their curriculum, of up-to-date re-
3 search in teaching and learning, and of techniques
4 that can be used to connect that information to their
5 students in their classroom.

6 **SEC. 3. REFUNDABLE CREDIT FOR PORTION OF TUITION**
7 **PAID FOR UNDERGRADUATE EDUCATION OF**
8 **CERTAIN TEACHERS.**

9 (a) IN GENERAL.—Subpart C of part IV of sub-
10 chapter A of chapter 1 of the Internal Revenue Code of
11 1986 (relating to refundable credits) is amended by redес-
12 ignating section 35 as section 36 and by inserting after
13 section 34 the following new section:

14 **“SEC. 35. TUITION FOR UNDERGRADUATE EDUCATION OF**
15 **CERTAIN TEACHERS.**

16 “(a) IN GENERAL.—In the case of an individual who
17 is an eligible teacher for the taxable year, there shall be
18 allowed as a credit against the tax imposed by this subtitle
19 an amount equal to 10 percent of qualified undergraduate
20 tuition paid by such individual.

21 “(b) LIMITATIONS.—

22 “(1) DOLLAR AMOUNT.—The credit allowed by
23 this section for any taxable year shall not exceed
24 \$1,000.

1 “(2) CREDIT ALLOWED ONLY FOR 10 YEARS.—

2 No credit shall be allowed under this section for any
3 taxable year after the 10th taxable year for which
4 credit is allowed under this section.

5 “(c) ELIGIBLE TEACHER.—For purposes of this
6 section—

7 “(1) IN GENERAL.—The term ‘eligible teacher’
8 means, with respect to a taxable year, any
9 individual—

10 “(A) who is a full-time teacher, including
11 a full-time substitute teacher, in any of grades
12 kindergarten through 12th grade for the aca-
13 demic year ending in such taxable year,

14 “(B)(i) who teaches primarily math,
15 science, engineering, or technology courses in 1
16 or more of grades 9 through 12 during such
17 academic year, or

18 “(ii) who teaches math, science, engineer-
19 ing, or technology courses in 1 or more of
20 grades kindergarten through 8 during such aca-
21 demic year.

22 “(C) who completed a 5-year teaching
23 training program which meets the requirements
24 of paragraph (3), and

1 “(D) who received a baccalaureate or simi-
2 lar degree with a major in mathematics,
3 science, engineering, or technology from a quali-
4 fied educational institution.

5 “(2) SPECIAL RULE FOR ADMINISTRATIVE PER-
6 SONNEL.—School administrative functions shall be
7 treated as teaching courses referred to in paragraph
8 (1)(B) if such functions primarily relate to such
9 courses or are for a school which focuses primarily
10 on such courses.

11 “(3) 5-YEAR TEACHER TRAINING PROGRAM.—
12 For purposes of paragraph (1)(C)—

13 “(A) ELEMENTARY SCHOOL TEACHERS.—
14 In the case of an elementary school teacher, a
15 teacher training program meets the require-
16 ments of this paragraph if—

17 “(i) the program requires, in addition
18 to education courses, that the student com-
19 plete courses in physics, chemistry, and bi-
20 ology, and

21 “(ii) the program recommends com-
22 pletion of an earth science.

23 “(B) MIDDLE AND HIGH SCHOOL TEACH-
24 ERS.—In the case of a middle or high school
25 teacher, a teacher training program meets the

1 requirements of this paragraph if the program
2 requires, in addition to education courses, that
3 the student also major in a science referred to
4 in subparagraph (A) and that the student also
5 complete introductory courses in 2 other
6 sciences referred to in subparagraph (A).

7 “(4) QUALIFIED EDUCATIONAL INSTITUTION.—
8 The term ‘qualified educational institution’ means
9 any eligible educational institution (as defined in
10 section 25A(f)(2)) if—

11 “(A) more than 80 percent of such institu-
12 tion’s graduates who apply for certification by
13 any State as a teacher are so certified, and

14 “(B) such institution’s school of education
15 (or equivalent unit) has an advisory
16 committee—

17 “(i) which includes (on a rotating
18 basis or otherwise) practicing mathemati-
19 cians and scientists and representatives
20 from several of the appropriate science,
21 mathematics, engineering, and technology
22 departments of such institution, and

23 “(ii) which publishes annually a re-
24 port detailing curricula reforms for such
25 school (or unit) designed to align teacher

1 training curricula with State requirements
2 and expectations.

3 “(d) QUALIFIED UNDERGRADUATE TUITION.—For
4 purposes of this section, the term ‘qualified undergraduate
5 tuition’ means qualified higher education expenses (as de-
6 fined in section 529(e)(3)) for a qualified educational in-
7 stitution, reduced as provided in section 25A(g)(2) and by
8 any credit allowed by section 25A with respect to such
9 expenses.

10 “(e) REGULATIONS.—The Secretary shall prescribe
11 such regulations as may be appropriate to carry out the
12 purposes of this section.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Paragraph (2) of section 1324(b) of title
15 31, United States Code, is amended by inserting be-
16 fore the period “, or from section 35 of such Code”.

17 (2) The table of sections for subpart C of part
18 IV of subchapter A of chapter 1 of such Code is
19 amended by striking the last item and inserting the
20 following new items:

“Sec. 35. Tuition for undergraduate education of certain teachers.
“Sec. 36. Overpayments of tax.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 the date of the enactment of this Act; except that only
24 periods of being an eligible teacher (as defined in section

1 35(c) of the Internal Revenue Code of 1986, as added by
 2 this section) after such date shall be taken into account
 3 under section 35(b)(2) of such Code, as so added.

4 **SEC. 4. CREDITS FOR CERTAIN CONTRIBUTIONS BENE-**
 5 **FITING SCIENCE, MATHEMATICS, ENGINEER-**
 6 **ING, AND TECHNOLOGY EDUCATION AT THE**
 7 **ELEMENTARY AND SECONDARY SCHOOL**
 8 **LEVEL.**

9 (a) IN GENERAL.—Subpart D of part IV of sub-
 10 chapter A of chapter 1 of the Internal Revenue Code of
 11 1986 (relating to business related credits) is amended by
 12 adding at the end the following new section:

13 **“SEC. 45E. CONTRIBUTIONS BENEFITING SCIENCE, MATHE-**
 14 **MATICS, ENGINEERING, AND TECHNOLOGY**
 15 **EDUCATION AT THE ELEMENTARY AND SEC-**
 16 **ONDARY SCHOOL LEVEL.**

17 “(a) IN GENERAL.—For purposes of section 38, the
 18 elementary and secondary science, mathematics, engineer-
 19 ing, and technology (SMET) contributions credit deter-
 20 mined under this section for the taxable year is an amount
 21 equal to 100 percent of the qualified SMET contributions
 22 of the taxpayer for such taxable year.

23 “(b) QUALIFIED SMET CONTRIBUTIONS.—For pur-
 24 poses of this section, the term ‘qualified SMET contribu-
 25 tions’ means—

1 “(1) SMET school contributions,

2 “(2) SMET teacher externship expenses, and

3 “(3) SMET teacher training expenses.

4 “(c) SMET SCHOOL CONTRIBUTIONS.—For pur-
5 poses of this section—

6 “(1) IN GENERAL.—The term ‘SMET school
7 contributions’ means—

8 “(A) SMET property contributions, and

9 “(B) SMET service contributions.

10 “(2) SMET PROPERTY CONTRIBUTIONS.—The
11 term ‘SMET property contributions’ means the
12 amount which would (but for subsection (f)) be al-
13 lowed as a deduction under section 170 for a chari-
14 table contribution of SMET inventory property if—

15 “(A) the donee is an elementary or sec-
16 ondary school described in section
17 170(b)(1)(A)(ii),

18 “(B) substantially all of the use of the
19 property by the donee is within the United
20 States for educational purposes in any of the
21 grades K–12 that are related to the purpose or
22 function of the donee,

23 “(C) the original use of the property be-
24 gins with the donee,

1 “(D) the property will fit productively into
2 the donee’s education plan,

3 “(E) the property is not transferred by the
4 donee in exchange for money, other property, or
5 services, except for shipping, installation and
6 transfer costs, and

7 “(F) the donee’s use and disposition of the
8 property will be in accordance with the provi-
9 sions of subparagraphs (B) and (E).

10 The determination of the amount of deduction under
11 section 170 for purposes of this paragraph shall be
12 made as if the limitation under section 170(e)(3)(B)
13 applied to all SMET inventory property.

14 “(3) SMET SERVICE CONTRIBUTIONS.—The
15 term ‘SMET service contributions’ means the
16 amount paid or incurred during the taxable year for
17 SMET services provided in the United States for the
18 exclusive benefit of students at an elementary or sec-
19 ondary school described in section 170(b)(1)(A)(ii)
20 but only if—

21 “(A) the taxpayer is engaged in the trade
22 or business of providing such services on a com-
23 mercial basis, and

24 “(B) no charge is imposed for providing
25 such services.

1 “(4) SMET INVENTORY PROPERTY.—The term
2 ‘SMET inventory property’ means, with respect to
3 any contribution to a school, any property—

4 “(A) which is described in paragraph (1)
5 or (2) of section 1221(a) with respect to the
6 donor, and

7 “(B) which is determined by the school to
8 be needed by the school in providing education
9 in grades K–12 in the areas of science, mathe-
10 matics, engineering, or technology.

11 “(5) SMET SERVICES.—The term ‘SMET serv-
12 ices’ means, with respect to any contribution to a
13 school, any service determined by the school to be
14 needed by the school in providing education in
15 grades K–12 in the areas of science, mathematics,
16 engineering, or technology, including teaching
17 courses of instruction at such school in any such
18 area.

19 “(d) SMET TEACHER EXTERNSHIP EXPENSES.—
20 For purposes of this section—

21 “(1) IN GENERAL.—The term ‘SMET teacher
22 externship expenses’ means any amount paid or in-
23 curred to carry out a SMET externship program of
24 the taxpayer but only to the extent that such
25 amount is attributable to the participation in such

1 program of any eligible SMET teacher, including
2 amounts paid to such a teacher as a stipend while
3 participating in such program.

4 “(2) SMET EXTERNSHIP PROGRAM.—The term
5 ‘SMET externship program’ means any program—

6 “(A) established by a taxpayer engaged in
7 a trade or business within an area of science,
8 mathematics, engineering, or technology, and

9 “(B) under which eligible SMET teachers
10 receive training to enhance their teaching skills
11 in the areas of science, mathematics, engineer-
12 ing, or technology or otherwise improve their
13 knowledge in such areas.

14 “(3) ELIGIBLE SMET TEACHER.—The term ‘eli-
15 gible SMET teacher’ means any individual—

16 “(A) who is a teacher in grades K–12 at
17 an educational organization described in section
18 170(b)(1)(A)(ii) which is located in the United
19 States or which is located on a United States
20 military base outside the United States, and

21 “(B) whose teaching responsibilities at
22 such school include, or are likely to include, any
23 course in the areas of science, mathematics, en-
24 gineering, or technology.

1 “(e) SMET TEACHER TRAINING EXPENSES.—The
2 term ‘SMET teacher training expenses’ means any
3 amount paid or incurred by a taxpayer engaged in a trade
4 or business within an area of science, mathematics, engi-
5 neering, or technology which is attributable to the partici-
6 pation of any eligible SMET teacher in a regular training
7 program provided to employees of the taxpayer which is
8 determined by such teacher’s school as enhancing such
9 teacher’s teaching skills in the areas of science, mathe-
10 matics, engineering, or technology.

11 “(f) DENIAL OF DOUBLE BENEFIT.—No deduction
12 shall be allowed under this chapter for any amount allowed
13 as a credit under this section.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 38(b) of such Code is amended—

16 (A) by striking “plus” at the end of para-
17 graph (12),

18 (B) by striking the period at the end of
19 paragraph (13), and inserting “, plus”, and

20 (C) by adding at the end the following new
21 paragraph:

22 “(14) the elementary and secondary science,
23 mathematics, engineering, and technology (SMET)
24 contributions credit determined under section 45E.”.

1 (2) Subsection (d) of section 39 of such Code
2 (relating to carryback and carryforward of unused
3 credits) is amended by adding at the end the fol-
4 lowing new paragraph:

5 “(10) NO CARRYBACK OF SECTION 45E CREDIT
6 BEFORE ENACTMENT OF CREDIT.—No portion of the
7 unused business credit for any taxable year which is
8 attributable to the credit determined under section
9 45E may be carried back to a taxable year beginning
10 before the date of the enactment of this para-
11 graph.”.

12 (3) The table of sections for subpart D of part
13 IV of subchapter A of chapter 1 of such Code is
14 amended by adding at the end the following new
15 item:

 “Sec. 45E. Contributions benefiting science, mathematics, engi-
 neering, and technology education at the elemen-
 tary and secondary school level.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 the date of the enactment of this Act.

19 **SEC. 5. ASSURANCE OF CONTINUED LOCAL CONTROL.**

20 Nothing in this Act may be construed to authorize
21 any department, agency, officer, or employee of the United
22 States to exercise any direction, supervision, or control
23 over the curriculum, program of instruction, administra-

1 tion, or personnel of any educational institution or school
2 system.

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