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113TH CONGRESS
2D SESSION

S. 2108

To amend the Internal Revenue Code of 1986 to encourage teachers to pursue teaching science, technology, engineering, and mathematics subjects at elementary and secondary schools.

IN THE SENATE OF THE UNITED STATES

MARCH 11, 2014

Mrs. GILLIBRAND introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to encourage teachers to pursue teaching science, technology, engineering, and mathematics subjects at elementary and secondary schools.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National STEM Education Tax Incentive for Teachers Act of 2014''.

SEC. 2. REFUNDABLE CREDIT FOR PORTION OF TUITION PAID FOR UNDERGRADUATE EDUCATION OF CERTAIN TEACHERS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 36C the following new section:

"SEC. 36D. TUITION FOR UNDERGRADUATE EDUCATION OF CERTAIN TEACHERS.

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

"(b) LIMITATIONS.—

"(1) DOLLAR AMOUNT.—The credit allowed by this section for any taxable year shall not exceed $1,000.

"(2) TEACHERS IN HIGH-NEEDS SCHOOLS DISTRICTS.—In the case of one of the first 5 taxable years in which a teacher is an eligible teacher who teaches in an elementary school or a secondary school (as those terms are defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)) receiving funds under part A of title I of such Act (20 U.S.C. 6311 et seq.),

subparagraph (A) shall be applied by substituting '$1,500' for '$1,000'.

"(3) CREDIT ALLOWED ONLY FOR 10 YEARS.—No credit shall be allowed under this section for any taxable year after the 10th taxable year for which credit is allowed under this section.

"(c) ELIGIBLE TEACHER.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible teacher' means, with respect to a taxable year, any individual—

"(A) who is a full-time teacher, including a full-time substitute teacher, in any of grades kindergarten through 12th grade for the academic year ending in such taxable year,

"(B)(i) who teaches primarily mathematics, science, engineering, or technology courses in one or more of grades 9 through 12 during such academic year, or

"(ii) who teaches mathematics, science, engineering, or technology courses in one or more of grades kindergarten through 8 during such academic year,

"(C) who, in the case that such individual is a middle or secondary school teacher, re-

ceived a baccalaureate or similar degree with a major in mathematics, science, engineering, or technology from an institution of higher education, and

"(D) who is highly qualified (as defined in section 9101(23) of the Elementary and Secondary Education Act of 1965).

"(2) SPECIAL RULE FOR ADMINISTRATIVE PERSONNEL.—School administrative functions shall be treated as teaching courses referred to in paragraph (1)(B) if such functions primarily relate to such courses or are for a school which focuses primarily on such courses.

"(d) QUALIFIED UNDERGRADUATE TUITION.—For purposes of this section, the term 'qualified undergraduate tuition' means qualified higher education expenses (as defined in section 529(e)(3)) for enrollment or attendance at an institution of higher education, reduced as provided in section 25A(g)(2) and by any credit allowed by section 25A with respect to such expenses.

"(e) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section.".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting "36D," after "36C,".

(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 inserting after the item relating to section 36C the following new item:

"Sec. 36D. Tuition for undergraduate education of certain teachers.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act; except that only periods during which an individual is an eligible teacher (as defined in section 36D(c) of the Internal Revenue Code of 1986, as added by this section) after such date shall be taken into account under section 36D(b)(3) of such Code, as so added.

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