

115TH CONGRESS  
2D SESSION

# S. 3730

To amend the Internal Revenue Code of 1986 to provide a refundable tax credit for certain teachers as a supplement to State efforts to provide teachers with a livable wage.

---

## IN THE SENATE OF THE UNITED STATES

DECEMBER 6, 2018

Mr. BOOKER 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 refundable tax credit for certain teachers as a supplement to State efforts to provide teachers with a livable wage.

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 “Rightfully Investing  
5 in Supporting Educators Act” or the “RISE Act”.

6 **SEC. 2. REFUNDABLE TEACHER TAX CREDIT.**

7 (a) ALLOWANCE OF TAX CREDIT.—

1           (1) IN GENERAL.—Subpart C of part IV of sub-  
2           chapter A of chapter 1 of the Internal Revenue Code  
3           of 1986 is amended by inserting after section 36B  
4           the following new section:

5   **“SEC. 36C. TEACHER TAX CREDIT.**

6           “(a) CREDIT ALLOWED.—In the case of an individual  
7           who is an eligible elementary or secondary school teacher  
8           or an early childhood educator during school years ending  
9           with or within the taxable year, there shall be allowed as  
10          a credit against the tax imposed by this chapter an  
11          amount equal to the applicable amount.

12          “(b) APPLICABLE AMOUNT.—

13                  “(1) IN GENERAL.—For purposes of subsection  
14          (a), the applicable amount is—

15                          “(A) \$12,500, in the case of an individual  
16          who is—

17                                  “(i) an eligible elementary or sec-  
18                                  ondary teacher, or

19                                  “(ii) an early childhood educator with  
20                                  a bachelor’s degree, and

21                                  “(B) \$8,000, in the case of any eligible  
22                                  early childhood educator not described in sub-  
23                                  paragraph (A)(ii).

24          “(2) LIMITATIONS.—

1           “(A) IN GENERAL.—The amount under  
2 paragraph (1)(A) shall be reduced (but not  
3 below zero) by the sum of—

4           “(i) \$100 for each percentage point by  
5 which the student poverty ratio at the  
6 qualifying school (in the case of an eligible  
7 elementary or secondary teacher) or the  
8 subsidized student ratio at the early child-  
9 hood education center (in the case of an  
10 early childhood educator with a bachelor’s  
11 degree) at which the individual is employed  
12 is below 100 percent, and

13           “(ii) \$300 for each percentage point  
14 by which the student poverty ratio at the  
15 qualifying school (in the case of an eligible  
16 elementary or secondary teacher) or the  
17 subsidized student ratio at the early child-  
18 hood education center (in the case of an  
19 early childhood educator with a bachelor’s  
20 degree) at which the individual is employed  
21 is below 75 percent.

22           “(B) EARLY CHILDHOOD EDUCATORS  
23 WITHOUT A BACHELOR’S DEGREE.—The  
24 amount under paragraph (1)(B) shall be re-  
25 duced (but not below zero) by \$320 for each

1 percentage point by which the subsidized stu-  
2 dent ratio at the early childhood education cen-  
3 ter at which the individual is employed is below  
4 75 percent.

5 “(c) DEFINITIONS RELATING TO ELIGIBLE ELEMEN-  
6 TARY OR SECONDARY SCHOOL TEACHERS.—For purposes  
7 of this section—

8 “(1) ELIGIBLE ELEMENTARY OR SECONDARY  
9 SCHOOL TEACHER.—

10 “(A) IN GENERAL.—The term ‘eligible ele-  
11 mentary or secondary school teacher’ means an  
12 individual who—

13 “(i) is a teacher of record who pro-  
14 vides direct classroom teaching (or class-  
15 room-type teaching in a nonclassroom set-  
16 ting) in a qualifying school for not less  
17 than 90 percent of the normal or statutory  
18 number of hours of work for a full-time  
19 teacher over a complete school year (as de-  
20 termined by the State in which the quali-  
21 fying school is located), and

22 “(ii) is fully certified or licensed to  
23 teach in the State in which the qualifying  
24 school is located in the subject area in

1           which the individual is the teacher of  
2           record.

3           “(B) TEACHER OF RECORD.—For pur-  
4           poses of subparagraph (A), the term ‘teacher of  
5           record’ means a teacher who has been assigned  
6           the responsibility for specified pupils’ learning  
7           in a grade, subject, or course as reflected on the  
8           school’s official record of attendance.

9           “(2) QUALIFYING SCHOOL.—

10           “(A) IN GENERAL.—In this section, the  
11           term ‘qualifying school’ means, with respect to  
12           any school year—

13                   “(i) a public secondary school that—

14                           “(I) has a student poverty ratio  
15                           of 50 percent or greater, and

16                           “(II) is in the school district of a  
17                           local educational agency that is eligi-  
18                           ble in such year for assistance pursu-  
19                           ant to part A of title I of the Elemen-  
20                           tary and Secondary Education Act of  
21                           1965,

22                           “(ii) a public secondary school served  
23                           by an educational service agency, or loca-  
24                           tion operated by an educational service  
25                           agency, that—

1           “(I) has a student poverty ratio  
2           of 50 percent or greater, and

3           “(II) is served by a local edu-  
4           cational agency that is eligible, for the  
5           year in which the determination is  
6           made, for assistance under part A of  
7           title I of the Elementary and Sec-  
8           ondary Education Act of 1965 (20  
9           U.S.C. 6311 et seq.),

10          “(iii) a public elementary school  
11          that—

12               “(I) has a student poverty ratio  
13               of 50 percent or greater, and

14               “(II) is in the school district of a  
15               local educational agency that is eligi-  
16               ble in such year for assistance pursu-  
17               ant to part A of title I of the Elemen-  
18               tary and Secondary Education Act of  
19               1965,

20               “(iv) a public elementary school  
21               served by an educational service agency, or  
22               a location operated by an educational serv-  
23               ice agency, that—

24               “(I) has a student poverty ratio  
25               of 50 percent or greater, and

1                   “(II) is served by a local edu-  
2                   cational agency that is eligible, for the  
3                   year in which the determination is  
4                   made, for assistance under part A of  
5                   title I of the Elementary and Sec-  
6                   ondary Education Act of 1965 (20  
7                   U.S.C. 6311 et seq.),

8                   “(v) an elementary school or sec-  
9                   ondary school that is funded by the Bu-  
10                  reau of Indian Education and that—

11                   “(I) has a student poverty ratio  
12                   of 50 percent or greater, and

13                   “(II) is in the school district of a  
14                   local educational agency that is eligi-  
15                   ble in such year for assistance pursu-  
16                   ant to part A of title I of the Elemen-  
17                   tary and Secondary Education Act of  
18                   1965, or

19                   “(vi) an early childhood education  
20                   program or center which has a student  
21                   poverty ratio of 50 percent or greater.

22                   “(B) ESEA DEFINITIONS.—In this para-  
23                   graph, the terms ‘educational service agency’,  
24                   ‘elementary school’, ‘poverty line’, ‘secondary  
25                   school’, and ‘State educational agency’ have the

1 meanings given the terms in section 8101 of the  
2 Elementary and Secondary Education Act of  
3 1965 (20 U.S.C. 7801 et seq.).

4 “(3) STUDENT POVERTY RATIO.—

5 “(A) IN GENERAL.—The term ‘student  
6 poverty ratio’ means, with respect to any quali-  
7 fying school, the ratio (expressed as a percent-  
8 age) of—

9 “(i) the total number of children  
10 served at such school meeting at least one  
11 measure of poverty described in section  
12 1113(a)(5) of the Elementary and Sec-  
13 ondary Education Act of 1965 (20 U.S.C.  
14 6313(a)(5)(A)), to

15 “(ii) the total number of children  
16 served at such school.

17 “(B) DETERMINATION OF RATIO.—In de-  
18 termining the student poverty ratio with respect  
19 to a qualifying school under subparagraph (A),  
20 the Secretary shall use the same measure of  
21 poverty as is used for purposes of determining  
22 the allocation of funds under part A of title I  
23 of the Elementary and Secondary Education  
24 Act of 1965 (20 U.S.C. 6311 et seq.) with re-  
25 spect to the qualifying school.



1       “(d) DEFINITIONS RELATING TO EARLY CHILDHOOD  
2 EDUCATORS.—

3           “(1) EARLY CHILDHOOD EDUCATOR.—The  
4 term ‘early childhood educator’ means a teacher  
5 who—

6           “(A) has obtained an associate’s degree or  
7 higher, and

8           “(B) has primary responsibility for the  
9 learning and development of children at an  
10 early childhood education center that has a sub-  
11 sidized student ratio of not less than 50 per-  
12 cent.

13          “(2) EARLY CHILDHOOD EDUCATION CEN-  
14 TER.—The term ‘early childhood education center’  
15 means a center that provides early childhood edu-  
16 cation and is licensed by the State in which the cen-  
17 ter is located.

18          “(3) SUBSIDIZED STUDENT RATIO.—The term  
19 ‘subsidized student ratio’ means, with respect to an  
20 early childhood education center, the ratio of chil-  
21 dren served at such center who receive services for  
22 which financial assistance is provided in accordance  
23 with the Child Care and Development Block Grant  
24 of 1990 (42 U.S.C. 9858 et seq.) or the child and  
25 adult care food program established under section

1 17 of the Richard B. Russell National School Lunch  
2 Act (42 U.S.C. 1766).

3 “(e) INFLATION ADJUSTMENT.—In the case of any  
4 taxable year beginning after 2018, each of the dollar  
5 amount in paragraphs (1) and (2) of subsection (b) shall  
6 be increased by an amount equal to—

7 “(1) such dollar amount, multiplied by

8 “(2) the cost-of-living adjustment determined  
9 under section 1(f)(3) for the calendar year in which  
10 the taxable year begins, determined by substituting  
11 in subparagraph (A)(ii) thereof ‘calendar year 2017’  
12 for ‘calendar year 2016’.”.

13 (2) CONFORMING AMENDMENTS.—

14 (A) The table of sections for subpart C of  
15 part IV of subchapter A of chapter 1 of the In-  
16 ternal Revenue Code of 1986 is amended by in-  
17 serting after the item relating to section 36B  
18 the following new item:

“Sec. 36C. Teacher tax credit.”.

19 (B) Section 6211(b)(4)(A) of such Code is  
20 amended by inserting “36C,” after “36B,”.

21 (C) Section 1324(b)(2) of title 31, United  
22 States Code, is amended by inserting “36C,”  
23 after “36B,”.

24 (b) INFORMATION SHARING.—The Secretary of Edu-  
25 cation shall provide such information as necessary to the

1 Secretary of the Treasury (or the Secretary's delegate) for  
2 purposes of determining whether a school is a qualifying  
3 school (as defined in section 36C of the Internal Revenue  
4 Code of 1986, as added by subsection (a)).

5 (c) SUPPLEMENTATION OF STATE AND LOCAL EDU-  
6 CATIONAL FUNDS.—A State educational agency or local  
7 educational agency (as such terms are defined in section  
8 8101 of the Elementary and Secondary Education Act of  
9 1965 (20 U.S.C. 7801 et seq.)) shall not reduce or adjust  
10 any teacher pay or teacher loan forgiveness program due  
11 to the eligibility of teachers within the jurisdiction of such  
12 agency for the tax credit under section 36C of the Internal  
13 Revenue Code of 1986. Each State educational agency and  
14 local educational agency (as so defined), upon request by  
15 the Secretary of the Treasury, shall demonstrate that the  
16 methodology used to allocate teacher pay and teacher loan  
17 forgiveness (if applicable) to qualifying schools (as defined  
18 in section 36C(e)(2) of such Code) ensures that each such  
19 school receives the same State and local funds for teacher  
20 compensation it would receive if the credit under such sec-  
21 tion 36C had not been enacted.

22 (d) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years beginning after  
24 the date of the enactment of this Act.

○