

118TH CONGRESS  
1ST SESSION

# H. R. 3264

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, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2023

Mr. SCHIFF (for himself, Mrs. HAYES, Mr. TAKANO, Mr. LARSON of Connecticut, Mrs. MCBATH, Mr. RUPPERSBERGER, Mr. KILMER, Ms. VELÁZQUEZ, Ms. TITUS, Ms. MCCOLLUM, Mr. BOWMAN, Mr. CARSON, Ms. TOKUDA, Ms. WILSON of Florida, Mr. MORELLE, Mr. BISHOP of Georgia, Ms. PORTER, Mr. NEGUSE, Mr. NORCROSS, Mr. JOHNSON of Georgia, Ms. LOIS FRANKEL of Florida, Ms. MENG, Mr. DESAULNIER, and Ms. LEE of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## 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, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Respect, Advancement,  
3 and Increasing Support for Educators Act of 2023” or  
4 the “RAISE Act of 2023”.

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

6 (a) ALLOWANCE OF TAX CREDIT.—

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

11 **“SEC. 36C. TEACHER TAX CREDIT.**

12 “(a) CREDIT ALLOWED.—In the case of an individual  
13 who is an eligible educator during school years ending with  
14 or within the taxable year, there shall be allowed as a cred-  
15 it against the tax imposed by this chapter an amount  
16 equal to the sum of—

17 “(1) \$1,000, plus

18 “(2) in the case of an eligible educator who is  
19 employed at a qualifying school, the applicable  
20 amount.

21 “(b) APPLICABLE AMOUNT.—For purposes of sub-  
22 section (a), the applicable amount is the amount which  
23 bears the same ratio (not to exceed one) to \$14,000  
24 (\$9,000, in the case of any early childhood educator with-  
25 out a bachelor’s degree) as—

1           “(1) the number of percentage points by which  
2           the student poverty ratio for such qualifying school  
3           exceeds 39 percent, bears to

4           “(2) 36 percentage points.

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

7           “(1) IN GENERAL.—The term ‘eligible educator’  
8           means—

9                   “(A) any elementary or secondary teacher,  
10           and

11                   “(B) any early childhood educator.

12           “(2) ELEMENTARY OR SECONDARY TEACHER.—

13                   “(A) IN GENERAL.—The term ‘elementary  
14           or secondary teacher’ means an individual  
15           who—

16                           “(i) is a teacher of record who pro-  
17                           vides direct classroom teaching (or class-  
18                           room-type teaching in a nonclassroom set-  
19                           ting) in a public elementary school or a  
20                           public secondary school for not less than  
21                           75 percent of the normal or statutory  
22                           number of hours of work for a full-time  
23                           teacher over a complete school year (as de-  
24                           termined by the State in which the school  
25                           is located),

1           “(ii) meets the applicable require-  
2           ments for State certification and licensure  
3           in the State in which such school is located  
4           in the subject area in which the individual  
5           is the teacher of record, and

6           “(iii) has met the requirements of  
7           clauses (i) and (ii) for a period of not less  
8           than 1 year before the first day of the tax-  
9           able year.

10           “(B) TEACHER OF RECORD.—For pur-  
11           poses of subparagraph (A), the term ‘teacher of  
12           record’ means a teacher who has been assigned  
13           the responsibility for specified pupils’ learning  
14           in a grade, subject, or course as reflected on the  
15           school’s official record of attendance.

16           “(3) EARLY CHILDHOOD EDUCATOR.—The  
17           term ‘early childhood educator’ means an individual  
18           who—

19           “(A) has a Child Development Associate  
20           credential (or an equivalent credential), or has  
21           an associate’s degree or higher,

22           “(B) meets the applicable requirements for  
23           State certification, licensure, or permitting  
24           under State law for early childhood education,

1           “(C) has primary responsibility for the  
2 learning and development of children in an  
3 early childhood education program (as defined  
4 in section 103 of the Higher Education Act of  
5 1965 (20 U.S.C. 1003)) for not less than 75  
6 percent of the normal or statutory number of  
7 hours of work for a full-time teacher over a  
8 complete program year, as determined by the  
9 Secretary of Health and Human Services, and

10           “(D) has met the requirements of subpara-  
11 graphs (A), (B), and (C) for a period of not  
12 less than 1 year before the first day of the tax-  
13 able year.

14           “(d) QUALIFYING SCHOOL.—

15           “(1) IN GENERAL.—The term ‘qualifying  
16 school’ means, with respect to any school year—

17           “(A) a public elementary school or a public  
18 secondary school that—

19           “(i) is served by a local educational  
20 agency that is eligible in such year for as-  
21 sistance pursuant to part A of title I of the  
22 Elementary and Secondary Education Act  
23 of 1965 (20 U.S.C. 6311 et seq.), or

24           “(ii) is served by an educational serv-  
25 ice agency, or a location operated by an

1 educational service agency, that is eligible,  
2 for the year in which the determination is  
3 made, for assistance under part A of title  
4 I of the Elementary and Secondary Edu-  
5 cation Act of 1965 (20 U.S.C. 6311 et  
6 seq.),

7 “(B) an elementary school or secondary  
8 school that is funded by the Bureau of Indian  
9 Education, or

10 “(C) an early childhood education program  
11 (as defined in section 103 of the Higher Edu-  
12 cation Act of 1965 (20 U.S.C. 1003)) that  
13 serves children who receive, or are eligible for,  
14 services for which financial assistance is pro-  
15 vided in accordance with the Child Care and  
16 Development Block Grant of 1990 (42 U.S.C.  
17 9857 et seq.) or the child and adult care food  
18 program established under section 17 of the  
19 Richard B. Russell National School Lunch Act  
20 (42 U.S.C. 1766).

21 “(2) ESEA DEFINITIONS.—For purposes of  
22 this subsection, the terms ‘educational service agen-  
23 cy’, ‘elementary school’, ‘local educational agency’,  
24 ‘secondary school’, and ‘State educational agency’  
25 have the meanings given such terms in section 8101

1 of the Elementary and Secondary Education Act of  
2 1965 (20 U.S.C. 7801 et seq.).

3 “(e) STUDENT POVERTY RATIO.—

4 “(1) IN GENERAL.—The term ‘student poverty  
5 ratio’ means—

6 “(A) with respect to any qualifying school  
7 described in subparagraph (A) or (B) of sub-  
8 section (d)(1), the ratio (expressed as a per-  
9 centage) of—

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

16 “(ii) the total number of children  
17 served at such qualifying school, and

18 “(B) with respect to any qualifying school  
19 described in subsection (d)(1)(C), the ratio (ex-  
20 pressed as a percentage) of—

21 “(i) the total number of children at-  
22 tending such qualifying school who are eli-  
23 gible for the Child Care and Development  
24 Block Grant of 1990 (42 U.S.C. 9857 et  
25 seq.) or the child and adult care food pro-

1                   gram established under section 17 of the  
2                   Richard B. Russell National School Lunch  
3                   Act (42 U.S.C. 1766), to

4                   “(ii) the total number of children at-  
5                   tending such qualifying school.

6                   “(2) DETERMINATION OF RATIO.—In deter-  
7                   mining the student poverty ratio with respect to a  
8                   qualifying school under paragraph (1)(A), the Sec-  
9                   retary shall use the same measure of poverty as is  
10                  used for purposes of determining the allocation of  
11                  funds under part A of title I of the Elementary and  
12                  Secondary Education Act of 1965 (20 U.S.C. 6311  
13                  et seq.) with respect to the qualifying school.

14                  “(f) INFLATION ADJUSTMENT.—

15                  “(1) IN GENERAL.—In the case of any taxable  
16                  year beginning after 2024, each of the dollar  
17                  amounts in subsections (a) and (b) shall be in-  
18                  creased by an amount equal to—

19                         “(A) such dollar amount, multiplied by

20                         “(B) the cost-of-living adjustment deter-  
21                         mined under section 1(f)(3) for the calendar  
22                         year in which the taxable year begins, deter-  
23                         mined by substituting in subparagraph (A)(ii)  
24                         thereof ‘calendar year 2023’ for ‘calendar year  
25                         2016’.



1           “(2) ROUNDING.—If any increase determined  
2           under paragraph (1) is not a multiple of \$50, such  
3           increase shall be rounded to the nearest multiple of  
4           \$50.”.

5           (2) CONFORMING AMENDMENTS.—

6           (A) The table of sections for subpart C of  
7           part IV of subchapter A of chapter 1 of the In-  
8           ternal Revenue Code of 1986 is amended by in-  
9           serting after the item relating to section 36B  
10          the following new item:

“Sec. 36C. Teacher tax credit.”.

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

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

16          (b) INFORMATION SHARING.—

17          (1) IN GENERAL.—The Secretary of Education  
18          shall—

19          (A) collect such information as necessary  
20          for purposes of determining whether a school is  
21          a qualifying school (as defined in section 36C of  
22          the Internal Revenue Code of 1986, as added  
23          by subsection (a)) and the appropriate amount  
24          of tax credit under such section; and

1 (B) provide such information to the Sec-  
2 retary of the Treasury (or the Secretary's dele-  
3 gate).

4 (2) INFORMATION FOR THE SECRETARY OF  
5 EDUCATION.—As a condition of receiving Federal  
6 funds and if requested by the Secretary of Edu-  
7 cation, each qualifying school shall collect and sub-  
8 mit to the Secretary of Education such information  
9 as may be necessary to enable the Secretary of Edu-  
10 cation to carry out paragraph (1).

11 (c) SUPPLEMENTATION OF FUNDS.—

12 (1) ELEMENTARY AND SECONDARY EDU-  
13 CATION.—A State educational agency or local edu-  
14 cational agency (as such terms are defined in section  
15 8101 of the Elementary and Secondary Education  
16 Act of 1965 (20 U.S.C. 7801 et seq.)) shall not re-  
17 duce or adjust any teacher pay or teacher loan for-  
18 giveness program due to the eligibility of teachers  
19 within the jurisdiction of such agency for the tax  
20 credit under section 36C of the Internal Revenue  
21 Code of 1986. Each State educational agency and  
22 local educational agency (as so defined), upon re-  
23 quest by the Secretary of the Treasury, shall dem-  
24 onstrate that the methodology used to allocate teach-  
25 er pay and teacher loan forgiveness (if applicable) to

1       qualifying schools (as defined in section 36C(d) of  
2       such Code) ensures that each such school receives  
3       the same State and local funds for teacher com-  
4       pensation it would receive if the credit under such  
5       section 36C had not been enacted.

6               (2) EARLY CHILDHOOD EDUCATION.—An agen-  
7       cy or other entity that funds, licenses, or regulates  
8       an early childhood education program (as defined in  
9       section 103 of the Higher Education Act of 1965  
10       (20 U.S.C. 1003)) shall not reduce or adjust any  
11       teacher pay or teacher loan forgiveness program, or  
12       permit such a reduction or adjustment in the early  
13       childhood education program, due to the eligibility of  
14       teachers within the jurisdiction of such agency for  
15       the tax credit under section 36C of the Internal Rev-  
16       enue Code of 1986. Each such agency or entity,  
17       upon request by the Secretary of the Treasury, shall  
18       demonstrate that the methodology used to allocate  
19       teacher pay and teacher loan forgiveness (if applica-  
20       ble) to such early childhood education programs en-  
21       sures that each such program receives the same  
22       State and local funds for teacher compensation it  
23       would receive if the credit under such section 36C  
24       had not been enacted.

25       (d) EMPLOYER LIMITATIONS.—

1           (1) PROHIBITION OF USE IN COLLECTIVE BAR-  
2           GAINING.—An employer that engages in collective  
3           bargaining with employees who are eligible edu-  
4           cators, as defined in section 36C(c) of the Internal  
5           Revenue Code of 1986, shall not include the amount  
6           of the teacher tax credit under section 36C of such  
7           Code in determining the amount of salary or other  
8           compensation provided to any employee under the  
9           collective bargaining agreement.

10           (2) PROHIBITION OF USE AS PUNISHMENT OR  
11           RETRIBUTION.—An employer of an eligible educator,  
12           as defined in section 36C of the Internal Revenue  
13           Code of 1986, shall not change the work assignment  
14           or location of the eligible educator if one of the pri-  
15           mary reasons for the change is to—

16                   (A) prevent the eligible educator from re-  
17                   ceiving a teacher tax credit under section 36C  
18                   of such Code; or

19                   (B) reduce the amount of the teacher tax  
20                   credit that the eligible educator will receive.

21           (3) ENFORCEMENT.—Notwithstanding any  
22           other provision of law, the Federal Labor Relations  
23           Authority shall have the authority to investigate and  
24           enforce any alleged violation of this section in the  
25           same manner, and subject to the same procedures,

1 as would apply to an allegation of an unfair labor  
2 practice under section 7118 of title 5, United States  
3 Code.

4 (4) DEFINITION.—In this subsection—

5 (A) the term “affecting commerce” has the  
6 meaning given the term in section 2 of the Na-  
7 tional Labor Relations Act (29 U.S.C. 152);

8 (B) the term “employee” means an em-  
9 ployee of an employer who is employed in a  
10 business of an employer that affects commerce;  
11 and

12 (C) the term “employer” means a person,  
13 including a State or political subdivision of a  
14 State, engaged in a business affecting com-  
15 merce.

16 (e) 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. 3. INCREASE IN AND EXPANSION OF DEDUCTION FOR**  
20 **EXPENSES OF ELEMENTARY AND SEC-**  
21 **ONDARY SCHOOL TEACHERS.**

22 (a) INCREASE.—

23 (1) IN GENERAL.—Subparagraph (D) of section  
24 62(a)(2) of the Internal Revenue Code of 1986 is  
25 amended by striking “\$250” and inserting “\$500”.

1           (2)       INFLATION       ADJUSTMENT.—Section  
2       62(d)(3) of such Code is amended—

3                   (A) by striking “2015” and inserting  
4       “2024”;

5                   (B) by striking “the \$250 amount” and in-  
6       serting “each of the dollar amounts”; and

7                   (C) by striking “2014” in subparagraph  
8       (B) thereof and inserting “2023”.

9       (b)       EXPANSION TO EARLY CHILDHOOD EDU-  
10   CATORS.—Section 62(d)(1)(A) of the Internal Revenue  
11   Code of 1986 is amended—

12                  (1) by striking “who is a kindergarten” and in-  
13       serting “who is—

14                               “(i) a kindergarten”;

15                  (2) by striking the period at the end and insert-  
16       ing “, or”; and

17                  (3) by adding at the end the following new sub-  
18       paragraph:

19                               “(ii) an early childhood educator (as  
20       defined in section 200 of the Higher Edu-  
21       cation Act of 1965 (20 U.S.C. 1021)) in  
22       an early childhood education program (as  
23       defined in section 103 of such Act (20  
24       U.S.C. 1003)) for at least 1,020 hours  
25       during a year.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts paid or incurred in tax-  
3 able years beginning after the date of the enactment of  
4 this Act.

5 **SEC. 4. MANDATORY FUNDING TO SUPPORT LOCAL EDU-**  
6 **CATIONAL AGENCIES THAT MAINTAIN OR IN-**  
7 **CREASE TEACHER SALARIES.**

8 Section 2003 of the Elementary and Secondary Edu-  
9 cation Act of 1965 (20 U.S.C. 6603) is amended—

10 (1) in the section heading, by striking “**AU-**  
11 **THORIZATION OF APPROPRIATIONS**” and insert-  
12 ing “**FUNDING**”; and

13 (2) by striking subsection (a) and inserting the  
14 following:

15 “(a) APPROPRIATIONS FOR PART A.—

16 “(1) IN GENERAL.—There are authorized to be  
17 appropriated, and there are appropriated, out of any  
18 funds not otherwise appropriated—

19 “(A) for fiscal year 2023, \$5,200,000,000  
20 to carry out part A; and

21 “(B) for fiscal year 2024 and each suc-  
22 ceeding fiscal year, the amount appropriated  
23 under this paragraph for the preceding year, in-  
24 creased by a percentage equal to the annual  
25 percentage increase in the Consumer Price

1 Index for All Urban Consumers published by  
2 the Department of Labor for the most recent  
3 calendar year.

4 “(2) RESERVATION FOR TEACHER SALARY IN-  
5 CENTIVE GRANTS.—

6 “(A) DEFINITIONS.—In this paragraph:

7 “(i) ELIGIBLE LOCAL EDUCATIONAL  
8 AGENCY.—The term ‘eligible local edu-  
9 cational agency’ means a local educational  
10 agency that, for the preceding school year,  
11 maintained or increased the salary sched-  
12 ule for all teachers employed by the local  
13 educational agency.

14 “(ii) TEACHER SALARY INCENTIVE  
15 RESERVATION.—The term ‘teacher salary  
16 incentive reservation’ means, for each fis-  
17 cal year, the amount that is 20 percent of  
18 the amount by which the funds appro-  
19 priated under paragraph (1) for the fiscal  
20 year exceeds \$2,200,000,000.

21 “(B) IN GENERAL.—For each fiscal year  
22 for which the total amount appropriated under  
23 paragraph (1) is greater than \$2,200,000,000,  
24 the Secretary shall, after making any reserva-  
25 tions under section 2101(a), reserve and use



1 the teacher salary incentive reservation to  
2 award grants, based on allotments under sub-  
3 paragraph (C), to eligible local educational  
4 agencies for purposes described in subpara-  
5 graph (E).

6 “(C) ALLOTMENTS.—An allotment under  
7 this subparagraph for a fiscal year to an eligible  
8 local educational agency shall bear the same re-  
9 lationship to the teacher salary incentive res-  
10 ervation as the number of children counted  
11 under section 1124(c) who are served by the  
12 local educational agency bears to the total num-  
13 ber of such children counted under such section  
14 served by all eligible local educational agencies  
15 that submitted an application under subpara-  
16 graph (D).

17 “(D) APPLICATION.—An eligible local edu-  
18 cational agency desiring an allotment under this  
19 paragraph shall submit to the Secretary an ap-  
20 plication at such time, in such manner, and  
21 containing such information as the Secretary  
22 may require.

23 “(E) USE OF FUNDS.—A local educational  
24 agency receiving an allotment under subpara-

1 graph (C) may use the allotment to carry out  
2 one or more of the following:

3 “(i) Comprehensive teacher or school  
4 leader preparation programs described sub-  
5 section (d), (e), or (f) of section 202 of the  
6 Higher Education Act of 1965.

7 “(ii) Support for teachers to earn cer-  
8 tifications or credentials in high-need fields  
9 or advanced credentials, such as certifi-  
10 cation or credentialing by the National  
11 Board for Professional Teaching Stand-  
12 ards.

13 “(iii) Teacher leadership programs.

14 “(iv) Induction or mentoring pro-  
15 grams for new teachers, principals, or  
16 other school leaders.

17 “(v) High-quality research-based pro-  
18 fessional development.

19 “(vi) Other activities approved by the  
20 Secretary that—

21 “(I) promote and strengthen the  
22 teaching profession;

23 “(II) attract, retain, and diver-  
24 sify the educator workforce; or

1                   “(III) advance the skills and effi-  
2                   cacy of the educator workforce.

3                   “(F) SUPPLEMENT, NOT SUPPLANT.—A  
4                   local educational agency receiving an allotment  
5                   under subparagraph (C) shall use the allotment  
6                   to supplement, and not supplant, any State  
7                   funds or efforts to raise teacher pay.”.

○