



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
SB2540

Introduced 2/3/2004, by Kimberly A. Lightford

SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new

Amends the Illinois Income Tax Act. Allows taxpayers who are teachers at qualifying schools to take a credit against the taxpayer's income tax. The amount of the credit ranges from \$250 to \$1,500 depending upon the years of services as a teacher at a qualifying school. Provides that the credit may not reduce a taxpayer's tax liability to less than zero. Provides that unused credits may not be carried forward. Effective immediately.

LRB093 20745 SJM 46636 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT in relation to taxes.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 216 as follows:

6 (35 ILCS 5/216 new)

7 Sec. 216. Teacher tax credit.

8 (a) The Legislature finds and declares all of the
9 following:

10 (1) Roughly 50% of teachers leave the profession by
11 their fifth year of teaching.

12 (2) It is the intent of the General Assembly to
13 encourage teachers to remain in the profession by providing
14 a tax benefit.

15 (3) This tax credit is designed to encourage teacher
16 retention and to compensate teachers for unreimbursed
17 expenses related to professional development and classroom
18 instruction, such as materials and supplies.

19 (b) In this Section:

20 "Teacher" means a person employed in an instructional
21 position at a qualifying school.

22 "Qualifying school" means either (i) a nonprofit
23 elementary or secondary school in Illinois, other than a public
24 school, that is in compliance with Title VI of the Civil Rights
25 Act of 1964 and attendance at which satisfies the requirements
26 of Section 26-1 of the School Code or (ii) a public elementary
27 or secondary school.

28 (c) Beginning with tax years ending on or after December
29 31, 2004 and ending with tax years ending on or before December
30 31, 2008, each individual taxpayer who is a teacher is entitled
31 to a credit against the tax imposed under subsections (a) and
32 (b) of Section 201 of this Act in an amount equal to the amount

1 determined in this subsection. In the case of a teacher who
2 has, as of the last day of the taxable year:

3 (i) completed not less than 4 and not more than 6 years
4 of service as a teacher at a qualifying school, the credit
5 shall be \$250;

6 (ii) completed not less than 6 but not more than 11
7 years of service as a teacher at a qualifying school, the
8 credit shall \$500;

9 (iii) completed not less than 11 but not more than 20
10 years of service as a teacher at a qualifying school, the
11 credit shall be \$1,000; and

12 (iv) completed 20 or more years of service as a teacher
13 at a qualifying school, the credit shall be \$1,500.

14 For purposes of determining years of service, only the
15 years of services at a qualifying school as defined in
16 subsection (b) may be counted.

17 (d) The credit may not reduce the taxpayer's liability
18 under this Act to less than zero. A credit that is unused in
19 the year the credit is available may not be carried forward and
20 applied to the tax liability of taxable years following the
21 excess credit year.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.