

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  
5 adding Section 215 as follows:

6 (35 ILCS 5/215 new)

7 Sec. 215. Teachers 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 Legislature to  
13 encourage teachers to remain in the profession by  
14 providing a tax benefit.

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

20 (b) In this Section:

21 "Compensation for services as a teacher" includes only  
22 those amounts received with respect to services performed as  
23 a certified teacher, but does not include pensions or other  
24 deferred compensation.

25 "Certified teacher" means a person who is certified to  
26 teach within the State of Illinois under laws relating to the  
27 certification of teachers and who teaches at a qualifying  
28 educational institution.

29 "Qualifying educational institution" means any  
30 elementary, secondary, or vocational-technical school located  
31 in this State providing education for kindergarten and grades

1 1 to 12, inclusive, or any part of kindergarten and grades 1  
2 to 12.

3 (c) Beginning with tax years ending on or after December  
4 31, 2001 and ending with tax years ending on or before  
5 December 31, 2005, each individual taxpayer who is a  
6 certified teacher is entitled to a credit against the tax  
7 imposed under subsections (a) and (b) of Section 201 of this  
8 Act in an amount equal to the amount determined in this  
9 subsection. In the case of a certified teacher who has, as  
10 of the last day of the taxable year:

11 (i) completed not less than 4 and not more than 6  
12 years of service as a certified teacher, the credit shall  
13 be \$250;

14 (ii) completed not less than 6 but not more than 11  
15 years of service as a certified teacher, the credit shall  
16 \$500;

17 (iii) completed not less than 11 but not more than  
18 20 years of service as a certified teacher, the credit  
19 shall be \$1,000; and

20 (iv) completed 20 or more years of service as a  
21 certified teacher, the credit shall be \$1,500.

22 For purposes of determining years of service, only the  
23 years of services in a qualified educational institution as  
24 defined in subsection (b) may be counted.

25 (d) The credit may not reduce the taxpayer's liability  
26 under this Act to less than zero. A credit that is unused in  
27 the year the credit is available may not be carried forward  
28 and applied to the tax liability of taxable years following  
29 the excess credit year.

30 Section 99. Effective date. This Act takes effect upon  
31 becoming law.