



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB0138

Introduced 1/17/2025, by Sen. Jil Tracy

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/235 new  
105 ILCS 5/2-3.206 new

Amends the School Code. Provides that the State Board of Education shall establish a teacher recruitment and retention program, which shall encourage both new and experienced teachers to seek employment with qualifying public schools by providing for a refundable income tax credit to each participating teacher in the amount of \$3,000 per school year for no more than 5 consecutive school years. Provides that the number of participating teachers in the program in any school year shall be limited to 1,000. Contains requirements for participating school districts and participating teachers. Amends the Illinois Income Tax Act establishing the \$3,000 tax credit for individuals designated by the State Board of Education as a participating teacher in the teacher recruitment and retention program. Effective July 1, 2025.

LRB104 03759 LNS 13783 b

1 AN ACT concerning education.

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 235 as follows:

6 (35 ILCS 5/235 new)

7 Sec. 235. Tax credit for teacher recruitment and  
8 retention.

9 For taxable years beginning on or after January 1, 2025, an  
10 individual designated as a participating teacher by the State  
11 Board of Education to the Department under subsection (1) of  
12 Section 2-3.206 of the School Code is entitled to a tax credit  
13 against the tax imposed by subsections (a) and (b) of Section  
14 201 equal to \$3,000. If the total amount of the tax credit  
15 provided exceeds the taxpayer's income tax liability for a  
16 taxable year, such excess amount shall be refunded to the  
17 taxpayer.

18 This Section is exempt from the provisions of Section 250.

19 Section 10. The School Code is amended by adding Section  
20 2-3.206 as follows:

21 (105 ILCS 5/2-3.206 new)

1       Sec. 2-3.206. Teacher recruitment and retention program.

2       (a) As used in this Section:

3       "Participating school" means a qualifying public school  
4 that has been selected by the Board to participate in the  
5 program.

6       "Participating school district" means a public school  
7 district that has been selected by the Board to participate in  
8 the program.

9       "Participating teacher" means an eligible teacher  
10 participating in the program who holds a Professional Educator  
11 License under Section 21B-20.

12       "Institution of higher education" means a public  
13 institution of higher education or private institution of  
14 higher education, as those terms are defined in Section 1 of  
15 the Board of Higher Education Act.

16       "Program" means the teacher recruitment and retention  
17 program established in this Section.

18       "Qualifying public school" means a public school that is  
19 located in a rural area in the State or a school that has  
20 performed in the lowest 5% of schools in the State as  
21 identified in accordance with the statewide accountability  
22 system established in the State plan under the federal Every  
23 Student Succeeds Act.

24       "Recently hired" means a licensed teacher, whether a new  
25 or experienced teacher, who has accepted his or her first  
26 school year contract to teach at a qualifying public school

1 for the 2025-2026 school year, the current school year, or for  
2 the immediately upcoming school year.

3 "Rural area" means an area that is more than 5 miles from  
4 the nearest urbanized area and more than 2.5 miles from the  
5 nearest urban cluster.

6 "School year contract" means a contract of full-time  
7 employment between a teacher and a local board of education  
8 covering a full school year. A contract of employment for a  
9 portion of a school year shall not be counted as a school year  
10 contract, nor shall contracts of employment for portions of a  
11 school year be cumulated and treated as a school year  
12 contract. A school year contract is deemed included within a  
13 contract of full-time employment between a teacher and a local  
14 board of education covering a full calendar or fiscal year.

15 "Urban cluster" and "urbanized area" have the meanings  
16 given to those terms in the Standards for Defining  
17 Metropolitan and Micropolitan Statistical Areas, 65 FR 82227.

18 (b) The Board shall establish a teacher recruitment and  
19 retention program. The purpose of the program shall be to  
20 encourage both new and experienced teachers to seek employment  
21 with qualifying public schools by providing for a refundable  
22 income tax credit, as provided under Section 235 of the  
23 Illinois Income Tax Act, to each participating teacher in the  
24 amount of \$3,000 per school year for no more than 5 consecutive  
25 school years, subject to conditions provided for under this  
26 Section. The Board may adopt rules as necessary to implement

1 and administer the program.

2 (c) By October 1 of each year, the Board shall determine  
3 which public schools in the State are qualifying public  
4 schools and shall publish a list of all qualifying public  
5 schools on the Board's website. For the purposes of the  
6 program, a school that has been designated as a qualifying  
7 public school shall be eligible for selection as a  
8 participating school for the current school year and for at  
9 least the immediately upcoming school year. The Board shall  
10 develop criteria for the selection of no more than 100  
11 participating school districts and shall publish the selection  
12 criteria simultaneously with the publication of the list of  
13 qualifying school districts on the Board's website.

14 By December 1 of each year, the Board shall select no more  
15 than 100 participating school districts and shall publish a  
16 list of all participating school districts on the Board's  
17 website. A school district that has been designated as a  
18 participating school district shall be eligible to participate  
19 in the program for the current school year and for at least the  
20 immediately upcoming school year. The Board shall determine  
21 the total number of participating teachers authorized for each  
22 participating school district.

23 (d) The Board shall solicit applications from teachers who  
24 meet the eligibility criteria provided for in subsections (g),  
25 (h), and (i) and may share with participating school districts  
26 such applications and related materials submitted by teachers.

1       (e) The Board may provide guidance and technical  
2 assistance to teachers, participating schools, and school  
3 districts with participating schools in the program.

4       (f) The Board shall establish program objectives and shall  
5 annually measure and evaluate the program. Beginning with the  
6 2026-2027 school year, and by December 1 of each year, the  
7 Board shall file with the Governor and the General Assembly a  
8 report covering the immediately preceding school year that  
9 includes, but is not limited to, the following information:

10           (1) the positions filled by participating teachers  
11 with corresponding information regarding the subject  
12 matter and grade or grades taught; and

13           (2) the length of time participating teachers have  
14 been participating in the program.

15       (g) In order to participate in the program, a teacher  
16 shall:

17           (1) have been recently hired to teach at a  
18 participating school;

19           (2) have attained a bachelor's degree in education  
20 from an institution of higher education with a teacher  
21 certification program approved by the Board; and

22           (3) hold a valid Professional Educator License issued  
23 by the Board.

24       (h) Teachers who meet the eligibility criteria provided in  
25 subsection (g) and who wish to participate in the program  
26 shall submit to the Board a completed application to

1 participate in the program, on a form and in a manner  
2 prescribed by the Board. Each application shall include, but  
3 is not limited to:

4 (1) a copy of a teacher's school year contract to  
5 teach at a participating school; and

6 (2) written verification by the principal or other  
7 school personnel of the participating school that the  
8 teacher was recently hired as defined under this Section.

9 (i) Eligible teachers who complete the application process  
10 prescribed by the Board shall be accepted to participate in  
11 the program on an annual basis, subject to the continuation of  
12 the program, the provisions of subsection (m), and for good  
13 cause shown by the Board.

14 (j) A teacher who is accepted by the Board to participate  
15 in the program shall be allowed to continue as a participating  
16 teacher in the program on an annual basis for up to 5  
17 consecutive school years if he or she remains employed under a  
18 school year contract as a teacher at the same school district  
19 continuously, regardless of whether the school remains a  
20 participating or qualifying public school, and subject to  
21 continuation of the program, the provisions of subsection (m),  
22 and for good cause shown by the Board.

23 (k) A participating teacher who is involuntarily  
24 transferred to another school within the same participating or  
25 qualifying school district shall be eligible to continue  
26 participating in the program on the same terms and conditions

1 as provided in subsection (j). A participating teacher who  
2 voluntarily transfers to another school is not eligible to  
3 continue participating in the program, effective immediately  
4 upon the transfer.

5 A participating teacher who receives an annual performance  
6 evaluation of "unsatisfactory" as provided in Sections 24A-5  
7 and 34-85c, shall be permanently ineligible to participate in  
8 the program upon the conclusion of the school year in which he  
9 or she received such rating.

10 A participating teacher who lawfully takes a leave of  
11 absence pursuant to any State or federal law retains  
12 eligibility to continue participating in the program if he or  
13 she remains unemployed under a school year contract as teacher  
14 at the same school continuously.

15 (l) By July 31 of each year, the Board shall notify the  
16 Department of Revenue of each participating teacher who has  
17 satisfied all terms and conditions of the program for the  
18 immediately preceding school year.

19 (m) The number of participating teachers in the program in  
20 any school year shall be limited to 1,000 participating  
21 teachers statewide. In the discretion of the Board,  
22 participation in the program may be determined according to  
23 the following order of priority:

24 (1) Participating teachers shall be prioritized over  
25 teachers not yet participating in the program.

26 (2) Among teachers participating in the program, those



1       with greater seniority in the program shall be prioritized  
2       over those with less seniority.

3       (3) No new applications for the program shall be  
4       accepted after December 31, 2035.

5       Section 99. Effective date. This Act takes effect July 1,  
6       2025.