

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

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

29 (c) Beginning with tax years ending on or after December
30 31, 2003 and ending with tax years ending on or before
31 December 31, 2007, each individual taxpayer who is a teacher

1 is entitled to a credit against the tax imposed under
2 subsections (a) and (b) of Section 201 of this Act in an
3 amount equal to the amount determined in this subsection. In
4 the case of a teacher who has, as of the last day of the
5 taxable year:

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

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

12 (iii) completed not less than 11 but not more than
13 20 years of service as a teacher at a qualifying school,
14 the credit shall be \$1,000; and

15 (iv) completed 20 or more years of service as a
16 teacher at a qualifying school, the credit shall be
17 \$1,500.

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

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

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.