

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 528 Session of 2023

INTRODUCED BY NEILSON, CIRESI, SCHLOSSBERG, KINSEY, SANCHEZ, PROBST, GIRAL, HILL-EVANS, MADDEN, BURGOS, DELLOSO, STRUZZI, WARREN, D. WILLIAMS, PARKER, DEASY, MALAGARI, MARCELL, KINKEAD, GREEN, CERRATO AND WAXMAN, MARCH 17, 2023

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 17, 2024

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," providing for teacher tax credit.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
14 the Tax Reform Code of 1971, is amended by adding an article to
15 read:

ARTICLE XVII-B.1

TEACHER TAX CREDIT

18 Section 1701-B.1. Scope of article.

19 This article relates to teacher tax credits.

20 Section 1702-B.1. Definitions.

1 The following words and phrases when used in this article  
2 shall have the meanings given to them in this section unless the  
3 context clearly indicates otherwise:

4 "Certified teacher." A teacher who is certified by the <--  
5 Commonwealth and currently employed as a teacher.

6 "CERTIFIED TEACHER." A TEACHER WHO, DURING ANY PORTION OF <--  
7 THE TAXABLE YEAR FOR WHICH THE TAX CREDIT IS BEING SOUGHT, WAS  
8 CERTIFIED AS A TEACHER BY THE COMMONWEALTH AND WAS EMPLOYED AS A  
9 TEACHER IN A PUBLIC, NONPUBLIC OR CHARTER SCHOOL.

10 "Classroom expenses and supplies." The term includes books,  
11 supplies, computers and related equipment, including related  
12 software and services, other equipment and supplementary  
13 materials.

14 "Department." The Department of Revenue of the Commonwealth.

15 "Tax credit." The teacher tax credit established under this  
16 article.

17 "Taxpayer." An individual subject to tax under Article III.  
18 Section 1703-B.1. Tax credit for teachers.

19 A taxpayer who is a certified teacher and incurs expenses for  
20 the purchase of classroom expenses and supplies in a taxable  
21 year may apply for a teacher tax credit as provided in this <--  
22 article.

23 Section 1704 B.1. Limitation on credits.

24 (a) Limit. The total amount of credits approved by the  
25 department shall not exceed \$15,000,000 in any fiscal year.

26 (b) Amount of credit. The amount of the tax credit under  
27 this section may not exceed \$500 per applicant per tax year.

28 TAX CREDIT. <--

29 SECTION 1704-B.1. ELIGIBILITY.

30 (A) DETERMINATION OF ELIGIBILITY.--IN ORDER TO DETERMINE

1 ELIGIBILITY FOR THE TAX CREDIT, THE DEPARTMENT OF EDUCATION  
2 SHALL ANNUALLY PROVIDE TO THE DEPARTMENT A LIST OF ALL  
3 INDIVIDUALS WHO WERE CERTIFIED TEACHERS DURING THE TAXABLE YEAR.

4 (B) INELIGIBILITY.--

5 (1) A TAXPAYER SHALL BE INELIGIBLE FOR THE TAX CREDIT  
6 UNLESS THE DEPARTMENT VERIFIES THAT THE TAXPAYER'S NAME  
7 APPEARS ON THE LIST PROVIDED BY THE DEPARTMENT OF EDUCATION  
8 FOR THE TAXABLE YEAR IN WHICH THE TAX CREDIT IS BEING SOUGHT.

9 (2) A TAXPAYER SHALL BE INELIGIBLE FOR THE TAX CREDIT IF  
10 THE TAXPAYER HAS CLAIMED A DEDUCTION FOR UNREIMBURSED  
11 BUSINESS EXPENSES RELATED TO CLASSROOM EDUCATION UNDER  
12 ARTICLE III FOR THE TAXABLE YEAR IN WHICH THE TAX CREDIT IS  
13 SOUGHT. THIS PARAGRAPH SHALL NOT APPLY IF ANY PART OF THE  
14 AMOUNT OF UNREIMBURSED BUSINESS EXPENSES CLAIMED IS UNRELATED  
15 TO CLASSROOM EDUCATION.

16 SECTION 1705-B.1. CARRYOVER, CARRYBACK, SALE, AND ASSIGNMENT OF  
17 TAX CREDIT.

18 A TAXPAYER IS NOT ENTITLED TO CARRY FORWARD, CARRY BACK, SELL  
19 OR ASSIGN ALL OR A PORTION OF A TAX CREDIT GRANTED TO THE  
20 TAXPAYER UNDER THIS ARTICLE.

21 SECTION 1706-B.1. AMOUNT OF CREDIT.

22 THE AMOUNT OF THE TAX CREDIT SHALL BE EQUAL TO 50% OF THE  
23 AMOUNT OF THE FEDERAL TAX DEDUCTION CLAIMED BY THE TAXPAYER  
24 UNDER 26 U.S.C. § 62(A)(2)(D) (RELATING TO ADJUSTED GROSS INCOME  
25 DEFINED).

26 ~~Section 1705-B.1~~ 1707-B.1. Application. <--

27 A taxpayer may apply for a tax credit under this article in a  
28 manner prescribed by the department.

29 ~~Section 1706-B.1~~ 1708-B.1. Administration. <--

30 The department shall promulgate rules and regulations to

1 administer the provisions of this article.

2 Section 2. This act shall apply to taxable years commencing  
3 after December 31, 2023.

4 Section 3. This act shall take effect immediately.