

ASSEMBLY BILL

No. 337

**Introduced by Assembly Member Jones-Sawyer
(Coauthors: Assembly Members Brough and Chávez)**

February 13, 2015

An act to add and repeal Section 17052.7 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 337, as introduced, Jones-Sawyer. Personal income tax: credits: qualified teachers.

The Personal Income Tax Law allows various credits against the tax imposed by that law.

This bill would, for taxable years beginning on or after January 1, 2015, and before January 1, 2020, allow a credit against that tax for amounts paid or incurred by a qualified teacher, as defined, during the taxable year for instructional materials and classroom supplies, as defined, not to exceed \$250, except as provided. The bill would make related findings and declarations.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

1 (a) While ensuring that a quality education for all of California's
2 school children is a shared responsibility of the general public, it
3 is foremost the duty of individual parents and teachers.

4 (b) State tax relief for education expenses, leveraged with current
5 federal deductions, can further support and strengthen new teachers
6 for successful careers in their noble profession.

7 SEC. 2. Section 17052.7 is added to the Revenue and Taxation
8 Code, to read:

9 17052.7. (a) (1) For each taxable year beginning on or after
10 January 1, 2015, and before January 1, 2020, there shall be allowed
11 as a credit against the "net tax," as defined in Section 17039, an
12 amount equal to the amount paid or incurred by a qualified teacher
13 during the taxable year for instructional materials and classroom
14 supplies, not to exceed two hundred fifty dollars (\$250), except
15 as provided in paragraph (2).

16 (2) Subject to the maximum credit amount allowed per qualified
17 teacher, for two qualified teachers who are married to each other
18 and filing a joint return, the credit shall not exceed five hundred
19 dollars (\$500).

20 (b) For purposes of this section:

21 (1) "Instructional materials and classroom supplies" means
22 books, supplies, computer equipment, including related software
23 and services and other equipment, and supplementary materials
24 used in the classroom, including, but not limited to, supplies for
25 courses in health and physical education, the amount paid or
26 incurred for which is otherwise deductible under Section 162 of
27 the Internal Revenue Code and not reimbursed.

28 (2) "Qualified teacher" means a teacher who meets all of the
29 following requirements:

30 (A) The individual has worked at least 900 hours in the school
31 year as a teacher, in a school offering instruction in kindergarten
32 or any of grades 1 to 12, inclusive, in California at a public, charter,
33 or private school that has a current private school affidavit on file
34 with the State Department of Education in a school year.

35 (B) The teacher is primarily engaged in the duty of imparting
36 knowledge to pupils by teaching, instructing, or lecturing.

37 (C) The teacher customarily and regularly exercises discretion
38 and independent judgment in performing the duties of a teacher.

1 (D) The teacher is not employed as a tutor, teaching assistant,
2 instructional aide, student teacher, day care provider, vocational
3 instructor, or similar position.

4 (c) The credit allowed pursuant to this section shall be available
5 as follows:

6 (1) For taxable years beginning on or after January 1, 2015, and
7 before January 1, 2016, the credit shall be allowed only to a
8 qualified teacher with no more than one year of employment as a
9 qualified teacher.

10 (2) For taxable years beginning on or after January 1, 2016, and
11 before January 1, 2017, the credit shall be allowed only to a
12 qualified teacher with no more than two consecutive years of
13 employment as a qualified teacher.

14 (3) For taxable years beginning on or after January 1, 2017, and
15 before January 1, 2020, the credit shall be allowed only to a
16 qualified teacher with no more than three consecutive years of
17 employment as a qualified teacher.

18 (d) In the case where the credit allowed by this section exceeds
19 the “net tax,” the excess may be carried over to reduce the “net
20 tax” in the following year, and succeeding four years if necessary,
21 until the credit is exhausted.

22 (e) (1) The Franchise Tax Board may prescribe rules, guidelines,
23 or procedures necessary or appropriate to carry out the purposes
24 of this section.

25 (2) Chapter 3.5 (commencing with Section 11340) of Part 1 of
26 Division 3 of Title 2 of the Government Code shall not apply to
27 any standard, criterion, procedure, determination, rule, notice, or
28 guideline established or issued by the Franchise Tax Board
29 pursuant to this section.

30 (f) Section 41 shall not apply to the credit allowed pursuant to
31 this section.

32 (g) This section shall remain in effect only until December 1,
33 2020, and as of that date is repealed.

34 SEC. 3. This act provides for a tax levy within the meaning of
35 Article IV of the Constitution and shall go into immediate effect.

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