

AMENDED IN ASSEMBLY MAY 21, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

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 amended, 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, 2016, and before January 1, ~~2020~~, 2021, allow a credit against that tax for amounts paid or incurred by a qualified teacher, as defined, during the *school year beginning immediately prior to 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. *The bill would require the school in which a qualified teacher works to provide a certificate certifying the hours the qualified teacher worked in a school year and the date in which the individual became a teacher. By requiring the schools to provide this certificate, the bill would impose a state-mandated local program.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~no~~-yes.

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

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

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

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

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

11 17052.7. (a) (1) For each taxable year beginning on or after
12 January 1, ~~2015~~, 2016, and before January 1, ~~2020~~, 2021, there
13 shall be allowed as a credit against the "net tax," as defined in
14 Section 17039, an amount equal to the amount paid or incurred by
15 a qualified teacher during the taxable year for instructional
16 materials and classroom supplies, not to exceed two hundred fifty
17 dollars (\$250), except as provided in paragraph (2).

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

22 (b) For purposes of this section:

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

1 (2) “Qualified teacher” means a teacher who meets all of the
2 following requirements:

3 (A) ~~The individual teacher has worked at least 900 hours in the~~
4 ~~school year beginning immediately prior to the taxable year as a~~
5 ~~teacher, in a school offering instruction in kindergarten or any of~~
6 ~~grades 1 to 12, inclusive, in California at a public, charter, or~~
7 ~~private school that has a current private school affidavit on file~~
8 ~~with the State Department of Education in a school year. public~~
9 ~~or charter school.~~

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

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

14 (D) ~~The teacher is not employed as a tutor, teaching assistant,~~
15 ~~instructional aide, student teacher, day care provider, vocational~~
16 ~~instructor, or similar position. was not employed as a qualified~~
17 ~~teacher prior to the 2015–16 school year.~~

18 (e) ~~The credit allowed pursuant to this section shall be available~~
19 ~~as follows:~~

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

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

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

32 (E) ~~The teacher has not been a qualified teacher for more than~~
33 ~~three consecutive school years.~~

34 (3) “School year” means the fiscal year or the academic year.

35 (c) (1) ~~The school in which the qualified teacher works shall~~
36 ~~provide a certificate to the qualified teacher certifying that the~~
37 ~~teacher has worked at least 900 hours during the school year.~~

38 (2) ~~A qualified teacher shall provide a copy of the certificate to~~
39 ~~the Franchise Tax Board upon request.~~

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

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

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

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

~~(g)~~

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

SEC. 3. Pursuant to Section 41 of the Revenue and Taxation Code, the specific goal of the credit allowed under Section 17052.7 of the Revenue and Taxation Code is to support qualified teachers who are purchasing instructional materials and classroom supplies with personal funds.

(a) The effectiveness of this credit shall be measured by the number of qualified teachers who are allowed this credit.

(1) The State Department of Education and the Commission on Teacher Credentialing shall report to the Legislature by January 1, 2020, the number of qualified teachers in California after the effective date of this act.

(2) (A) The Franchise Tax Board shall report to the Legislature by January 1, 2020, the number of taxpayers allowed this credit in each taxable year beginning on and after January 1, 2016, and before January 1, 2019.

(B) A report to be submitted pursuant to subparagraph (A) shall be submitted in compliance with Section 9795 of the Government Code.

(b) (1) The Demographics Office of the State Department of Education reports that, in 2013–14 school year, there were 13,398 first year teachers and 16,596 second year teachers. If 10,000 qualified teachers are allowed this credit in the first taxable year, which begins on or after January 1, 2016; 20,000 in the second

1 taxable year; which begins on or after January 1, 2017; and 30,000
2 in the third taxable year; which begins on or after January 1, 2018,
3 the credit will have effectively reduced the personal expenses for
4 instructional materials and classroom supplies incurred by new
5 teachers by an estimated \$15 million.

6 (2) A report to be submitted pursuant to paragraph (1) shall be
7 submitted in compliance with Section 9795 of the Government
8 Code.

9 (c) The Franchise Tax Board shall measure the estimated
10 number of qualified teachers described in subdivision (b) against
11 the number of qualified teachers that are allowed this credit.

12 (d) This credit shall be considered successful if 50 percent or
13 more of the estimated number of qualified teachers are allowed
14 this credit.

15 SEC. 4. If the Commission on State Mandates determines that
16 this act contains costs mandated by the state, reimbursement to
17 local agencies and school districts for those costs shall be made
18 pursuant to Part 7 (commencing with Section 17500) of Division
19 4 of Title 2 of the Government Code.

20 ~~SEC. 3.~~

21 SEC. 5. This act provides for a tax levy within the meaning of
22 Article IV of the Constitution and shall go into immediate effect.