

Subject Educator expense credit established

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Summary

H.F. 1317 establishes a refundable income tax credit for educator expenses paid by elementary and secondary educators, as well as certain prekindergarten teachers.

Credit calculation

The credit would equal 25% of an eligible educator's eligible expenses, up to a maximum of \$250 per educator. The credit is phased out for single taxpayers with incomes in excess of \$40,000 of adjusted gross income (AGI); for married taxpayers filing joint returns, the phaseout threshold is \$80,000 of AGI.

The credit is refundable, meaning a taxpayer whose credit is greater than their tax liability would receive the difference as refund.

Eligible educators

The bill's definition of eligible educators is based on the definition used for the federal educator expense deduction—it includes K-12 teachers, instructors, counselors, principals, or aides in a school for at least 900 hours during the school year. The bill additionally allows the credit for prekindergarten teachers whose primary job responsibility is working with children over the age of 3 at a school, Head Start Program, or licensed child care center.

Eligible expenses

The expenses eligible for the credit are the same as those allowed for the federal educator expense deduction:

- An educator's professional development expenses related to the curriculum or students taught by the educator.
- Books, supplies, computer equipment (including software), and supplementary materials used by the educator in the classroom.

The bill is effective for tax year 2021.