
By: **Senator McFadden**

Introduced and read first time: February 3, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Teacher Incentive Act of 2006**

3 FOR the purpose of allowing certain classroom teachers to claim an income tax credit
4 in a certain amount under certain circumstances; providing that the credit may
5 not exceed the State income tax for the taxable year and that any unused credit
6 may not be carried over to any other taxable year; defining certain terms;
7 providing for the application of this Act; and generally relating to an income tax
8 credit for certain teachers under certain circumstances.

9 BY adding to
10 Article - Tax - General
11 Section 10-726
12 Annotated Code of Maryland
13 (2004 Replacement Volume and 2005 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Tax - General**

17 10-726.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (2) "COUNTY BOARD OF EDUCATION" HAS THE MEANING STATED IN §
21 1-101(D) OF THE EDUCATION ARTICLE.

22 (3) "ELIGIBLE PUBLIC SCHOOL" MEANS A SCHOOL THAT:

23 (I) IS NOT MAKING ADEQUATE YEARLY PROGRESS OR IS A SCHOOL
24 IN NEED OF IMPROVEMENT AS DEFINED UNDER THE FEDERAL NO CHILD LEFT
25 BEHIND ACT OF 2001 AS IMPLEMENTED BY THE STATE DEPARTMENT OF EDUCATION;
26 OR

1 (II) IS RECEIVING FUNDS UNDER TITLE 1 OF THE FEDERAL NO
2 CHILD LEFT BEHIND ACT OF 2001.

3 (B) SUBJECT TO THE PROVISIONS OF THIS SECTION, AN INDIVIDUAL WHO IS A
4 MATHEMATICS, SCIENCE, OR SPECIAL EDUCATION CLASSROOM TEACHER IN AN
5 ELIGIBLE PUBLIC SCHOOL, FIRST HIRED BEGINNING WITH THE 2006-2007 SCHOOL
6 YEAR AND HOLDING A STANDARD CERTIFICATE OR AN ADVANCED PROFESSIONAL
7 CERTIFICATE, MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE
8 AMOUNT OF \$1,500 IF THE INDIVIDUAL MEETS THE REQUIREMENTS OF SUBSECTION
9 (E) OF THIS SECTION.

10 (C) THE CREDIT ALLOWED UNDER THIS SECTION MAY BE CLAIMED FOR 3
11 CONSECUTIVE TAXABLE YEARS, STARTING WITH THE TAXABLE YEAR IN WHICH THE
12 INDIVIDUAL COMPLETES THE FIRST SCHOOL YEAR OF EMPLOYMENT AS A
13 CLASSROOM TEACHER.

14 (D) (1) THE CREDIT ALLOWED UNDER THIS SECTION FOR A TAXABLE YEAR
15 MAY NOT EXCEED THE STATE INCOME TAX FOR THAT TAXABLE YEAR, CALCULATED
16 BEFORE APPLICATION OF THE CREDITS UNDER THIS SECTION AND §§ 10-701 AND
17 10-701.1 OF THIS SUBTITLE BUT AFTER APPLICATION OF THE OTHER CREDITS
18 ALLOWED UNDER THIS SUBTITLE.

19 (2) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY
20 NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

21 (E) TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, AN INDIVIDUAL
22 SHALL PROVIDE PROOF THAT THE INDIVIDUAL IS EMPLOYED BY A COUNTY BOARD
23 OF EDUCATION AS A CLASSROOM TEACHER IN AN ELIGIBLE PUBLIC SCHOOL.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
25 effect June 1, 2006, and shall be applicable to all taxable years beginning after
26 December 31, 2005.