

119TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to provide a refundable tax credit for certain teachers as a supplement to State efforts to provide teachers with a livable wage, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. BOOKER introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to provide a refundable tax credit for certain teachers as a supplement to State efforts to provide teachers with a livable wage, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Respect, Advancement,
5 and Increasing Support for Educators Act of 2025” or
6 the “RAISE Act of 2025”.

7 **SEC. 2. REFUNDABLE TEACHER TAX CREDIT.**

8 (a) ALLOWANCE OF TAX CREDIT.—

1 (1) IN GENERAL.—Subpart C of part IV of sub-
2 chapter A of chapter 1 of the Internal Revenue Code
3 of 1986 is amended by inserting after section 36B
4 the following new section:

5 **“SEC. 36C. TEACHER TAX CREDIT.**

6 “(a) CREDIT ALLOWED.—In the case of an individual
7 who is an eligible educator during school years ending with
8 or within the taxable year, there shall be allowed as a cred-
9 it against the tax imposed by this chapter an amount
10 equal to the sum of—

11 “(1) \$1,000, plus

12 “(2) in the case of an eligible educator who is
13 employed at a qualifying school, the applicable
14 amount.

15 “(b) APPLICABLE AMOUNT.—For purposes of sub-
16 section (a), the applicable amount is the amount which
17 bears the same ratio (not to exceed one) to \$14,000
18 (\$9,000, in the case of any early childhood educator with-
19 out a bachelor’s degree) as—

20 “(1) the number of percentage points by which
21 the student poverty ratio for such qualifying school
22 exceeds 39 percent, bears to

23 “(2) 36 percentage points.

24 “(c) ELIGIBLE EDUCATOR.—For purposes of this
25 section—

1 “(1) IN GENERAL.—The term ‘eligible educator’
2 means—

3 “(A) any elementary or secondary teacher,
4 and
5 “(B) any early childhood educator.

6 “(2) ELEMENTARY OR SECONDARY TEACHER.—

7 “(A) IN GENERAL.—The term ‘elementary
8 or secondary teacher’ means an individual
9 who—

10 “(i) is a teacher of record who pro-
11 vides direct classroom teaching (or class-
12 room-type teaching in a nonclassroom set-
13 ting) in a public elementary school or a
14 public secondary school for not less than
15 75 percent of the normal or statutory
16 number of hours of work for a full-time
17 teacher over a complete school year (as de-
18 termined by the State in which the school
19 is located),

20 “(ii) meets the applicable require-
21 ments for State certification and licensure
22 in the State in which such school is located
23 in the subject area in which the individual
24 is the teacher of record, and

1 “(iii) has met the requirements of
2 clauses (i) and (ii) for a period of not less
3 than 1 year before the first day of the tax-
4 able year.

5 “(B) TEACHER OF RECORD.—For pur-
6 poses of subparagraph (A), the term ‘teacher of
7 record’ means a teacher who has been assigned
8 the responsibility for specified pupils’ learning
9 in a grade, subject, or course as reflected on the
10 school’s official record of attendance.

11 “(3) EARLY CHILDHOOD EDUCATOR.—The
12 term ‘early childhood educator’ means an individual
13 who—

14 “(A) has a Child Development Associate
15 credential (or an equivalent credential), or has
16 an associate’s degree or higher,

17 “(B) meets the applicable requirements for
18 State certification, licensure, or permitting
19 under State law for early childhood education,

20 “(C) has primary responsibility for the
21 learning and development of children in an
22 early childhood education program (as defined
23 in section 103 of the Higher Education Act of
24 1965 (20 U.S.C. 1003)) for not less than 75
25 percent of the normal or statutory number of

1 hours of work for a full-time teacher over a
2 complete program year, as determined by the
3 Secretary of Health and Human Services, and
4 “(D) has met the requirements of subpara-
5 graphs (A), (B), and (C) for a period of not
6 less than 1 year before the first day of the tax-
7 able year.

8 “(d) QUALIFYING SCHOOL.—

9 “(1) IN GENERAL.—The term ‘qualifying
10 school’ means, with respect to any school year—

11 “(A) a public elementary school or a public
12 secondary school that—

13 “(i) is served by a local educational
14 agency that is eligible in such year for as-
15 sistance pursuant to part A of title I of the
16 Elementary and Secondary Education Act
17 of 1965 (20 U.S.C. 6311 et seq.), or

18 “(ii) is served by an educational serv-
19 ice agency, or a location operated by an
20 educational service agency, that is eligible,
21 for the year in which the determination is
22 made, for assistance under part A of title
23 I of the Elementary and Secondary Edu-
24 cation Act of 1965 (20 U.S.C. 6311 et
25 seq.),

1 “(B) an elementary school or secondary
2 school that is funded by the Bureau of Indian
3 Education, or

4 “(C) an early childhood education program
5 (as defined in section 103 of the Higher Edu-
6 cation Act of 1965 (20 U.S.C. 1003)) that
7 serves children who receive, or are eligible for,
8 services for which financial assistance is pro-
9 vided in accordance with the Child Care and
10 Development Block Grant of 1990 (42 U.S.C.
11 9857 et seq.) or the child and adult care food
12 program established under section 17 of the
13 Richard B. Russell National School Lunch Act
14 (42 U.S.C. 1766).

15 “(2) ESEA DEFINITIONS.—For purposes of
16 this subsection, the terms ‘educational service agen-
17 cy’, ‘elementary school’, ‘local educational agency’,
18 ‘secondary school’, and ‘State educational agency’
19 have the meanings given such terms in section 8101
20 of the Elementary and Secondary Education Act of
21 1965 (20 U.S.C. 7801).

22 “(e) STUDENT POVERTY RATIO.—

23 “(1) IN GENERAL.—The term ‘student poverty
24 ratio’ means—

1 “(A) with respect to any qualifying school
2 described in subparagraph (A) or (B) of sub-
3 section (d)(1), the ratio (expressed as a per-
4 centage) of—

5 “(i) the total number of children
6 served at such qualifying school meeting at
7 least one measure of poverty described in
8 section 1113(a)(5) of the Elementary and
9 Secondary Education Act of 1965 (20
10 U.S.C. 6313(a)(5)), to

11 “(ii) the total number of children
12 served at such qualifying school, and

13 “(B) with respect to any qualifying school
14 described in subsection (d)(1)(C), the ratio (ex-
15 pressed as a percentage) of—

16 “(i) the total number of children at-
17 tending such qualifying school who are eli-
18 gible for services under the Child Care and
19 Development Block Grant of 1990 (42
20 U.S.C. 9857 et seq.) or for the child and
21 adult care food program established under
22 section 17 of the Richard B. Russell Na-
23 tional School Lunch Act (42 U.S.C. 1766),
24 to

1 “(ii) the total number of children at-
2 tending such qualifying school.

3 “(2) DETERMINATION OF RATIO.—In deter-
4 mining the student poverty ratio with respect to a
5 qualifying school under paragraph (1)(A), the Sec-
6 retary shall use the same measure of poverty as is
7 used for purposes of determining the allocation of
8 funds under part A of title I of the Elementary and
9 Secondary Education Act of 1965 (20 U.S.C. 6311
10 et seq.) with respect to the qualifying school.

11 “(f) INFLATION ADJUSTMENT.—

12 “(1) IN GENERAL.—In the case of any taxable
13 year beginning after 2026, each of the dollar
14 amounts in subsections (a) and (b) shall be in-
15 creased by an amount equal to—

16 “(A) such dollar amount, multiplied by

17 “(B) the cost-of-living adjustment deter-
18 mined under section 1(f)(3) for the calendar
19 year in which the taxable year begins, deter-
20 mined by substituting in subparagraph (A)(ii)
21 thereof ‘calendar year 2025’ for ‘calendar year
22 2016’.

23 “(2) ROUNDING.—If any increase determined
24 under paragraph (1) is not a multiple of \$50, such

1 increase shall be rounded to the nearest multiple of
2 \$50.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) The table of sections for subpart C of
5 part IV of subchapter A of chapter 1 of the In-
6 ternal Revenue Code of 1986 is amended by in-
7 serting after the item relating to section 36B
8 the following new item:

“Sec. 36C. Teacher tax credit.”.

9 (B) Section 6211(b)(4)(A) of such Code is
10 amended by inserting “36C,” after “36B,”.

11 (C) Section 1324(b)(2) of title 31, United
12 States Code, is amended by inserting “36C,”
13 after “36B,”.

14 (b) INFORMATION SHARING.—

15 (1) IN GENERAL.—The Secretary of Education
16 shall—

17 (A) collect such information as necessary
18 for purposes of determining whether a school is
19 a qualifying school (as defined in section 36C of
20 the Internal Revenue Code of 1986, as added
21 by subsection (a)) and the appropriate amount
22 of tax credit under such section; and

23 (B) provide such information to the Sec-
24 retary of the Treasury (or the Secretary’s dele-
25 gate).

1 (2) INFORMATION FOR THE SECRETARY OF
2 EDUCATION.—As a condition of receiving Federal
3 funds and if requested by the Secretary of Edu-
4 cation, each qualifying school shall collect and sub-
5 mit to the Secretary of Education such information
6 as may be necessary to enable the Secretary of Edu-
7 cation to carry out paragraph (1).

8 (c) SUPPLEMENTATION OF FUNDS.—

9 (1) ELEMENTARY AND SECONDARY EDU-
10 CATION.—A State educational agency or local edu-
11 cational agency (as such terms are defined in section
12 8101 of the Elementary and Secondary Education
13 Act of 1965 (20 U.S.C. 7801)) shall not reduce or
14 adjust any teacher pay or teacher loan forgiveness
15 program due to the eligibility of teachers within the
16 jurisdiction of such agency for the tax credit under
17 section 36C of the Internal Revenue Code of 1986.
18 Each State educational agency and local educational
19 agency (as so defined), upon request by the Sec-
20 retary of the Treasury, shall demonstrate that the
21 methodology used to allocate teacher pay and teach-
22 er loan forgiveness (if applicable) to qualifying
23 schools (as defined in section 36C(d) of such Code)
24 ensures that each such school receives the same
25 State and local funds for teacher compensation it

1 would receive if the credit under such section 36C
2 had not been enacted.

3 (2) EARLY CHILDHOOD EDUCATION.—An agen-
4 cy or other entity that funds, licenses, or regulates
5 an early childhood education program (as defined in
6 section 103 of the Higher Education Act of 1965
7 (20 U.S.C. 1003)) shall not reduce or adjust any
8 teacher pay or teacher loan forgiveness program, or
9 permit such a reduction or adjustment in the early
10 childhood education program, due to the eligibility of
11 teachers within the jurisdiction of such agency for
12 the tax credit under section 36C of the Internal Rev-
13 enue Code of 1986. Each such agency or entity,
14 upon request by the Secretary of the Treasury, shall
15 demonstrate that the methodology used to allocate
16 teacher pay and teacher loan forgiveness (if applica-
17 ble) to such early childhood education programs en-
18 sures that each such program receives the same
19 State and local funds for teacher compensation it
20 would receive if the credit under such section 36C
21 had not been enacted.

22 (d) EMPLOYER LIMITATIONS.—

23 (1) PROHIBITION OF USE IN COLLECTIVE BAR-
24 GAINING.—An employer that engages in collective
25 bargaining with employees who are eligible edu-

1 cators, as defined in section 36C(c) of the Internal
2 Revenue Code of 1986, shall not include the amount
3 of the teacher tax credit under section 36C of such
4 Code in determining the amount of salary or other
5 compensation provided to any employee under the
6 collective bargaining agreement.

7 (2) PROHIBITION OF USE AS PUNISHMENT OR
8 RETRIBUTION.—An employer of an eligible educator,
9 as defined in section 36C of the Internal Revenue
10 Code of 1986, shall not change the work assignment
11 or location of the eligible educator if one of the pri-
12 mary reasons for the change is to—

13 (A) prevent the eligible educator from re-
14 ceiving a teacher tax credit under section 36C
15 of such Code; or

16 (B) reduce the amount of the teacher tax
17 credit that the eligible educator will receive.

18 (3) ENFORCEMENT.—Notwithstanding any
19 other provision of law, the Federal Labor Relations
20 Authority shall have the authority to investigate and
21 enforce any alleged violation of this section in the
22 same manner, and subject to the same procedures,
23 as would apply to an allegation of an unfair labor
24 practice under section 7118 of title 5, United States
25 Code.

1 (4) DEFINITION.—In this subsection—

2 (A) the term “affecting commerce” has the
3 meaning given the term in section 2 of the Na-
4 tional Labor Relations Act (29 U.S.C. 152);

5 (B) the term “employee” means an em-
6 ployee of an employer who is employed in a
7 business of an employer that affects commerce;
8 and

9 (C) the term “employer” means a person,
10 including a State or political subdivision of a
11 State, engaged in a business affecting com-
12 merce.

13 (e) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 the date of the enactment of this Act.

16 **SEC. 3. INCREASE IN AND EXPANSION OF DEDUCTION FOR**
17 **EXPENSES OF ELEMENTARY AND SEC-**
18 **ONDARY SCHOOL TEACHERS.**

19 (a) INCREASE.—

20 (1) IN GENERAL.—Subparagraph (D) of section
21 62(a)(2) of the Internal Revenue Code of 1986 is
22 amended by striking “\$250” and inserting “\$500”.

23 (2) INFLATION ADJUSTMENT.—Section
24 62(d)(3) of such Code is amended—

1 (A) by striking “2015” and inserting
2 “2026”;

3 (B) by striking “the \$250 amount” and in-
4 serting “each of the dollar amounts”; and

5 (C) by striking “2014” in subparagraph
6 (B) thereof and inserting “2025”.

7 (b) EXPANSION TO EARLY CHILDHOOD EDU-
8 CATORS.—Section 62(d)(1)(A) of the Internal Revenue
9 Code of 1986 is amended—

10 (1) by striking “who is a kindergarten” and in-
11 serting “who is—

12 “(i) a kindergarten”;

13 (2) by striking the period at the end and insert-
14 ing “, or”; and

15 (3) by adding at the end the following new sub-
16 paragraph:

17 “(ii) an early childhood educator (as
18 defined in section 200 of the Higher Edu-
19 cation Act of 1965 (20 U.S.C. 1021)) in
20 an early childhood education program (as
21 defined in section 103 of such Act (20
22 U.S.C. 1003)) for at least 1,020 hours
23 during a year.”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall apply to amounts paid or incurred in tax-

1 able years beginning after the date of the enactment of
2 this Act.

3 **SEC. 4. MANDATORY FUNDING TO SUPPORT LOCAL EDU-**
4 **CATIONAL AGENCIES THAT MAINTAIN OR IN-**
5 **CREASE TEACHER SALARIES.**

6 Section 2003 of the Elementary and Secondary Edu-
7 cation Act of 1965 (20 U.S.C. 6603) is amended—

8 (1) in the section heading, by striking “**AU-**
9 **THORIZATION OF APPROPRIATIONS**” and insert-
10 ing “**FUNDING**”; and

11 (2) by striking subsection (a) and inserting the
12 following:

13 “(a) APPROPRIATIONS FOR PART A.—

14 “(1) IN GENERAL.—There are authorized to be
15 appropriated, and there are appropriated, out of any
16 funds not otherwise appropriated—

17 “(A) for fiscal year 2026, \$5,200,000,000
18 to carry out part A; and

19 “(B) for fiscal year 2027 and each suc-
20 ceeding fiscal year, the amount appropriated
21 under this paragraph for the preceding year, in-
22 creased by a percentage equal to the annual
23 percentage increase in the Consumer Price
24 Index for All Urban Consumers published by

1 the Department of Labor for the most recent
2 calendar year.

3 “(2) RESERVATION FOR TEACHER SALARY IN-
4 CENTIVE GRANTS.—

5 “(A) DEFINITIONS.—In this paragraph:

6 “(i) ELIGIBLE LOCAL EDUCATIONAL
7 AGENCY.—The term ‘eligible local edu-
8 cational agency’ means a local educational
9 agency that, for the preceding school year,
10 maintained or increased the salary sched-
11 ule for all teachers employed by the local
12 educational agency.

13 “(ii) TEACHER SALARY INCENTIVE
14 RESERVATION.—The term ‘teacher salary
15 incentive reservation’ means, for each fis-
16 cal year, the amount that is 20 percent of
17 the amount by which the funds appro-
18 priated under paragraph (1) for the fiscal
19 year exceeds \$2,200,000,000.

20 “(B) IN GENERAL.—For each fiscal year
21 for which the total amount appropriated under
22 paragraph (1) is greater than \$2,200,000,000,
23 the Secretary shall, after making any reserva-
24 tions under section 2101(a), reserve and use
25 the teacher salary incentive reservation to

1 award grants, based on allotments under sub-
2 paragraph (C), to eligible local educational
3 agencies for purposes described in subpara-
4 graph (E).

5 “(C) ALLOTMENTS.—An allotment under
6 this subparagraph for a fiscal year to an eligible
7 local educational agency shall bear the same re-
8 lationship to the teacher salary incentive res-
9 ervation as the number of children counted
10 under section 1124(c) who are served by the
11 local educational agency bears to the total num-
12 ber of such children counted under such section
13 served by all eligible local educational agencies
14 that submitted an application under subpara-
15 graph (D).

16 “(D) APPLICATION.—An eligible local edu-
17 cational agency desiring an allotment under this
18 paragraph shall submit to the Secretary an ap-
19 plication at such time, in such manner, and
20 containing such information as the Secretary
21 may require.

22 “(E) USE OF FUNDS.—A local educational
23 agency receiving an allotment under subpara-
24 graph (C) may use the allotment to carry out
25 one or more of the following:

1 “(i) Comprehensive teacher or school
2 leader preparation programs described sub-
3 section (d), (e), or (f) of section 202 of the
4 Higher Education Act of 1965.

5 “(ii) Support for teachers to earn cer-
6 tifications or credentials in high-need fields
7 or advanced credentials, such as certifi-
8 cation or credentialing by the National
9 Board for Professional Teaching Stand-
10 ards.

11 “(iii) Teacher leadership programs.

12 “(iv) Induction or mentoring pro-
13 grams for new teachers, principals, or
14 other school leaders.

15 “(v) High-quality research-based pro-
16 fessional development.

17 “(vi) Other activities approved by the
18 Secretary that—

19 “(I) promote and strengthen the
20 teaching profession;

21 “(II) attract, retain, and diver-
22 sify the educator workforce; or

23 “(III) advance the skills and effi-
24 cacy of the educator workforce.

1 “(F) SUPPLEMENT, NOT SUPPLANT.—A
2 local educational agency receiving an allotment
3 under subparagraph (C) shall use the allotment
4 to supplement, and not supplant, any State
5 funds or efforts to raise teacher pay.”.