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**SENATE BILL NO. 168**

Offered January 8, 2014

Prefiled January 1, 2014

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13, relating to tax credits for teachers relocating to qualified schools.*

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Patron—Stanley

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Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Article 3.3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13 as follows:**

**§ 58.1-339.13. Teacher tax credit.**

A. As used in this section:

"Qualified school" means a public elementary or secondary school in the Commonwealth that (i) has an individual school performance grade of C or below assigned by the Board of Education or (ii) is in a locality with a population of 200,000 or less.

"Teacher" means a public elementary or secondary school teacher licensed pursuant to § 22.1-299 who is employed at a qualified school and was not employed at a qualified school during the previous school year.

B. For taxable years beginning on or after January 1, 2015, but before January 1, 2020, a teacher shall be eligible to receive a credit against any tax due under this chapter in an amount equal to \$5,000 per teacher per year. The credit shall be claimed for the taxable year in which the teacher gained employment at the qualified school.

C. Tax credits shall be awarded to teachers on a first-come, first-served basis in accordance with guidelines established by the Department of Taxation under the following conditions:

1. The total amount of tax credits that may be granted each fiscal year under this article shall not exceed \$1 million.

2. Any credit not usable for the taxable year may be carried over for the next two taxable years. The amount of credit allowed pursuant to this section shall not exceed the tax imposed for such taxable year. No credit shall be carried back to a preceding taxable year.

3. Applicants shall apply to the Department of Taxation for a certificate to include with their income tax return.

D. The Department of Education shall publish annually on its website a list of qualified schools.

**2. That the Department of Taxation shall develop guidelines implementing the provisions of this act. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).**

INTRODUCED

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