

SB-37

To provide loan forgiveness for public school teachers.

IN THE SENATE OF THE AMERICAN LEGION BOYS NATION

Mr. Henry of Arkansas introduced the following bill;

A BILL

To provide loan forgiveness for public school teachers.

Be it enacted by The American Legion Boys Nation Senate assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "The Superior Teachers Reach Our Goals (STRONG) Act.

Or

Incentives for Teacher Recruitment and Retention Act.".

SECTION 2. Definitions

(1) Public School. A public School is any school in the United States or its territories that is supported by public funds and overseen by an elected school board.

(2) Public School Teacher. A public school teacher is any person who is employed in a public school and is engaged in classroom or laboratory instruction.

(3) Institute of Higher Education. An institute of higher education is any accredited post-secondary

organization that awards associates, bachelors, or advanced degrees.

(4) Commercial lending institution. A commercial lending institution is a bank, credit union, or other business, engaged in lending money.

(5) Student Loan. A student loan is a debt incurred by a student from a commercial lending institution and paid to an institution of higher education while the student was pursuing a post-secondary education.

(6) Loan Forgiveness. Loan forgiveness is the discharge of a student's liability to a commercial lending institution for all or part of the debt the student owes for a student loan.

(7) Academic year. An academic year is the period of time, regardless of the number of days or when the days are scheduled, that a school board has designated as a full year of instruction.

(8) Loan servicing agency. A loan servicing agency is an organization to which the rights to a student loan may have been assigned by a commercial lending institution.

(9) Satisfactorily performing. Satisfactorily performing means that a public school teacher has completed a full year of teaching without suspension or termination of the teacher's employment with the district.

SECTION 3: Action

(a) This program is available only to public school teachers.

(b) Public school teachers may apply for forgiveness of student loans in an amount up to \$75,000.

(c) The \$75,000 will be forgiven over a ten-year period.

(1) When a public school teacher qualifies, \$7,500 will be forgiven for each year the applicant is a satisfactorily performing teacher for a full academic year in a public school.

(2) The \$7,500 will be administered as tax credit on the applicant's federal tax return.

(3) The \$7,500 tax credit shall not reduce or in any way affect other tax credits or deductions to which the applicant may be entitled.

(4) The \$7,500 credit shall not be paid directly to the applicant in the form of a reduction of tax liability or monetary refund.

(5) Public School teachers who are eligible and wish to claim the credit must identify on their federal tax return the commercial lending institution or loan servicing agency to which the credit will be sent.

(6) The applicant shall obtain a letter from the applicable public school certifying in writing that the applicant has satisfactorily completed a full year of teaching.

(d) The Internal Revenue Service shall modify its tax forms to allow designation of the commercial lending institution or loan servicing agency to which the tax credit will be sent.

(e) Funding for this program will be obtained from the Department of Education's general budget.