

Teacher Tax Deduction⁸

Purpose of the Program

Teachers often use their own resources to provide classroom supplies, supplemental materials, and other classroom necessities. The Administration has proposed a tax deduction for teachers to help defray out-of-pocket classroom expenses. The deduction would not only cover classroom expenses such as books and school supplies, but it can also be used for professional enrichment opportunities and other training.

New Program Improvements and Resources

This year, President Bush's budget proposed establishing this tax deduction, which is expected to provide \$16 million in tax savings to teachers in 2004 and \$577 million over five years.

Highlights

- Teachers would be able to deduct up to \$400 of qualified expenditures incurred after December 31, 2003, on their Federal tax returns, thereby recovering a portion of their personal expenses.

⁸ General Explanations of the Administration's Fiscal Year 2003 Revenue Proposals, p. 17