

MAR 8 2006  
WAYS AND MEANS

HOUSE FILE 2699  
BY COMMITTEE ON ECONOMIC GROWTH

(SUCCESSOR TO HSB 732)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act creating a mathematics and science teacher practical  
2 experience incentive program and providing for a tax credit  
3 from withholding.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2699

1 Section 1. NEW SECTION. 272.34 MATHEMATICS AND SCIENCE  
2 TEACHER PRACTICAL EXPERIENCE INCENTIVE PROGRAM -- CREDIT FROM  
3 WITHHOLDING.

4 1. A mathematics and science teacher practical experience  
5 incentive program is established to provide a mathematics or  
6 science teacher with an opportunity to gain practical work or  
7 research experience through on-site employment with a  
8 business, industry, university, or state agency. The purpose  
9 of the program is to enhance the teacher's skills, give the  
10 teacher a better understanding of career opportunities in the  
11 field for students, create enthusiasm which motivates the  
12 teacher's students to pursue a postsecondary education and  
13 career in the fields of mathematics and science, and permit  
14 the teacher to bring the experience of working with the latest  
15 technologies back to the classroom.

16 2. A teacher who is employed under an employment agreement  
17 with an eligible entity or a state university or agency for  
18 not less than two hundred forty hours during an eight-week  
19 period shall be credited with earning, at a minimum, eighty  
20 percent of the renewal units required for renewal of a license  
21 issued by the board of educational examiners under this  
22 chapter. In computing the renewal credit, fractions shall be  
23 rounded up to the next higher whole number.

24 3. a. An eligible entity that meets the following  
25 criteria shall be entitled to a tax credit equal to an amount  
26 of twenty-five percent of the gross wages paid under the  
27 program to the teacher:

28 (1) Enters into an employment agreement with a teacher for  
29 the period specified in subsection 2.

30 (2) Employs the teacher in a position on-site that  
31 provides substantial practical experience in the mathematics  
32 or science subject area in which the teacher holds an  
33 endorsement and is employed to teach.

34 (3) Pays the teacher an amount monthly that is at least  
35 equivalent to the teacher's monthly pay in the employ of the

1 school district, accredited nonpublic school, or community  
2 college. However, the eligible entity may pay the teacher on  
3 a biweekly or weekly pay period basis.

4 b. The eligible entity shall receive the credit against  
5 all withholding taxes due by the eligible entity on wages paid  
6 to the teacher under the program. If the amount of the  
7 withholding is less than twenty-five percent of the gross  
8 wages paid, the eligible entity shall receive a credit against  
9 other withholding taxes due.

10 c. The eligible entity shall certify to the department of  
11 revenue that the program credit is in accordance with the  
12 agreement and shall provide other information the department  
13 may require.

14 d. A teacher under an agreement with an eligible entity  
15 pursuant to this section shall receive full credit for the  
16 amount withheld as provided in section 422.16.

17 4. For purposes of this section, unless the context  
18 otherwise requires:

19 a. "Eligible entity" means a business or consortium of  
20 businesses engaged in interstate or intrastate commerce and  
21 which substantially utilizes mathematics or science for the  
22 purpose of designing, engineering, manufacturing, processing,  
23 or assembling products, construction, conducting research and  
24 development, or providing services in interstate or intrastate  
25 commerce, but excludes a business engaged in retail services.

26 b. "State university or agency" means an institution of  
27 higher education governed by the state board of regents or any  
28 state agency.

29 c. "Teacher" means an individual who is a resident of  
30 Iowa; has been employed full-time as a teacher for a school  
31 district, accredited nonpublic school, or community college in  
32 Iowa for at least one year; is licensed and endorsed to teach  
33 mathematics or science at the secondary level by the board of  
34 educational examiners under this chapter; and is currently  
35 employed in Iowa by a school district, accredited nonpublic

1 school, or community college to teach mathematics or science  
2 at the secondary school level for more than sixty-six percent  
3 of their contracted time.

4 EXPLANATION

5 This bill establishes a mathematics and science teacher  
6 practical experience incentive program to provide a  
7 mathematics or science teacher with an opportunity to gain  
8 practical work or research experience through on-site  
9 employment with a business, industry, university, or state  
10 agency.

11 The board of educational examiners shall credit a teacher  
12 who is employed under the program by a business, a consortium  
13 of businesses, a state university, or a state agency, for not  
14 less than 240 hours during an eight-week period, with earning  
15 80 percent of the renewal units required for renewal of a  
16 license issued by the board. In computing the renewal credit,  
17 fractions shall be rounded up to the next higher whole number.  
18 The bill defines "teacher" to include a resident of Iowa who  
19 has been employed full-time as a teacher for a school  
20 district, accredited nonpublic school, or community college in  
21 Iowa for at least one year; is licensed and endorsed to teach  
22 mathematics or science at the secondary level; and is  
23 currently employed by a school district, school, or community  
24 college to teach mathematics or science at the secondary  
25 school level for more than 66 percent of their contracted  
26 time.

27 A business or consortium of businesses that enters into an  
28 agreement with a mathematics and science teacher, that employs  
29 the teacher in a position on-site that provides substantial  
30 practical experience in the teacher's subject area, and that  
31 pays the teacher an amount that is at least equivalent to the  
32 amount the teacher is paid for the equivalent time period by a  
33 school district, accredited nonpublic school, or community  
34 college shall be credited for an amount equal to 25 percent of  
35 the gross wage paid under the program from the total

1 withholding payment made by the eligible entity.

2 The eligible entity shall receive a credit against all  
3 withholding taxes due by the eligible entity regardless of  
4 whether or not the withholding from the eligible entity of  
5 current program wages equals 25 percent.

6 Teachers under an agreement with an eligible entity shall  
7 receive full credit for the amount withheld.

8 The bill defines "eligible entity" as a business or  
9 consortium of businesses engaged in interstate or intrastate  
10 commerce and which substantially utilizes mathematics or  
11 science for the purpose of designing, engineering,  
12 manufacturing, processing, or assembling products,  
13 construction, conducting research and development, or  
14 providing services in interstate or intrastate commerce, but  
15 excludes businesses engaging in retail services.

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**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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HF 2699 - Teacher Internships (LSB 6522 HV)  
Analyst: Robin Madison (Phone: [515] 281-5270) ([robin.madison@legis.state.ia.us](mailto:robin.madison@legis.state.ia.us))  
Fiscal Note Version - New

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**Description**

House File 2699 establishes a practical experience incentive program for mathematics and science teachers. Teachers employed by eligible entities or a State university or agency for at least 240 hours during an eight-week period will earn 80.0% of the credits required for renewal of a teaching license. The eligible entity is entitled to a tax credit equal to 25.0% of the gross wages paid the teacher. The tax credit is calculated on the total withholding taxes due on wages paid to the teacher under the program. If the amount of withholding is less than 25.0% of the gross wages paid, the tax credit can be taken against other withholding taxes due.

The Bill defines "eligible entity" as a business or consortium of businesses engaged in interstate or intrastate commerce, excluding retail services, that substantially uses mathematics or science in its work. The eligible entity must employ the teacher in an on-site position that provides substantial practical experience in the mathematics or science subject area in which the teacher holds an endorsement and is employed to teach. The eligible entity must pay the teacher a monthly amount equivalent to the teacher's monthly pay from the school district, accredited nonpublic school, or community college where they teach.

**Assumptions**

1. The maximum number of teachers eligible for the program is 2,747. Of that amount, it is assumed that 10.0% or 275 teachers will participate in one year, beginning in FY 2007. The actual rate of participation is unknown.
2. It is assumed that the eligible entity pays the teacher an hourly wage of \$19.65, equivalent to the average annual teacher salary of \$40,877.
3. It is assumed that each participant works 240 hours, the minimum required under the program.

**Fiscal Impact**

The withholding tax credit in HF 2699 will reduce General Fund revenues by an estimated \$324,000 in FY 2007. The reduction will vary from year to year, based upon the level of participation and increases in wages.

**Source**

Department of Education

/s/ Holly M. Lyons

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April 3, 2006

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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Jenkins, Ch.  
Schickel  
Wise

HSB 732  
ECONOMIC GROWTH

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH BILL BY  
CHAIRPERSON HOFFMAN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
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