

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



Fact Sheet for Quality Teacher Incentive Tax Deduction

The Office of Tax and Revenue (OTR) would like to inform all District of Columbia public school and public charter school teachers who reside in the District of the following tax law change.

A D.C. teacher with a professional teaching certificate may deduct certain out-of-pocket classroom expenses as an adjustment to the gross income on their D.C. income tax return (Form D-40, Schedule I) if:

- The teacher incurred the expenses in purchasing basic and necessary classroom teaching materials and supplies;
- The expenses deducted are **not in excess of \$500** per individual taxpayer, whether filing individually or jointly; and
- The individual is a D.C. classroom teacher in a D.C. public school or public charter school for the entire year for which the individual is filing, or the entire year prior to that tax year.

Classroom teachers include, among others, mathematics and reading specialists, as well as art, music, and physical education teachers assigned to a school.

Federal law allows teachers a similar deduction for out-of-pocket expenses of \$250 for federal income tax purposes.

Tuition and Fees Deduction

Also deductible on the D.C. income tax return (Form D-40, Schedule I) are tuition and fees paid during the year by a D.C. classroom teacher for his/her postgraduate education, professional development, or state licensing examination and testing required for improving teaching credentials or maintaining professional certification. This deduction **cannot exceed \$1,500** a year per individual taxpayer, whether filing individually or jointly.

Federal law allows teachers a similar deduction up to \$4,000 depending on the teacher's adjusted gross income (AGI). Unlike the D.C. tax benefit, which is restricted to postgraduate expenses, the federal benefit covers some undergraduate tuition expenses.

Interaction between D.C. and Federal Deductions

To avoid a "double deduction," if a D.C. classroom teacher takes a deduction on his/her federal return (Form 1040, Line 23) for personal expenditures incurred in purchasing basic classroom

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supplies and materials, that deduction reduces the amount that may be claimed for such expenditures on their D.C. income tax return. This is because the deductible amount has already been included in the AGI for D.C. tax purposes. For example, if the amount claimed on the federal return is \$250 and the amount incurred was \$500, the amount that can be claimed on the D.C. return is \$250 (because of the higher deductible limitation of \$500 on the D.C. return).

Similarly, any tuition and fees amount claimed on the federal return by a D.C. classroom teacher for his/her qualifying education deduction that would also qualify on the D.C. return cannot be “double deducted” on the D.C. income tax return. Therefore, an eligible D.C. taxpayer who claims a tuition and fees deduction on his/her federal return (Form 1040, Line 35) for \$1,500 or more **may not** take a deduction for such tuition and fees on his/her D.C. return.

The fact that a married teacher elects to file a separate D.C. income tax return or elects to file separately on a combined D.C. income tax return with a spouse does not prevent the teacher from claiming these deductions.

For additional information, visit OTR’s Web site at www.taxpayerservicecenter.com, call our customer service center at (202) 727-4TAX, or visit our walk-in center at 941 North Capitol Street, NE, on the first floor.

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