

**DESCRIPTION OF H.R. 5334,
THE “SUPPORTING EARLY-CHILDHOOD
EDUCATORS’ DEDUCTIONS ACT OF 2025”**

Scheduled for Markup
by the
HOUSE COMMITTEE ON WAYS AND MEANS
on March 25, 2026

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION



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INTRODUCTION

The House Committee on Ways and Means has scheduled a committee markup for March 25, 2026, of H.R. 5334, the “Supporting Early-Childhood Educators’ Deductions Act of 2025” or the “SEED Act of 2025.” This document,¹ prepared by the staff of the Joint Committee on Taxation, provides a description of this bill.

¹ This document may be cited as follows: Joint Committee on Taxation, *Description of H.R. 5334, the “Supporting Early-Childhood Educators’ Deductions Act of 2025”* (JCX-6-26), March 23, 2026. This document can also be found on the Joint Committee on Taxation website at www.jct.gov. All section references in the document are to the Internal Revenue Code of 1986, as amended (the “Code”), unless otherwise stated.

A. Education Expense Deduction to Include Early-Childhood Educators

Present Law

An eligible educator is allowed a deduction in determining adjusted gross income (referred to below as an “above-the-line” deduction) for ordinary and necessary expenses paid or incurred (i) by reason of the educator’s participation in professional development courses related to the curriculum in which the educator provides instruction or to the students for which the educator provides instruction, and (ii) in connection with books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by the eligible educator in the classroom.²

The above-the-line deduction for education expenses is limited to \$350 in 2026.³

For purposes of the above-the-line deduction for education expenses, an eligible educator is, for any taxable year, an individual who is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in a school for at least 900 hours during a school year. For this purpose, a school is any school that provides elementary or secondary (kindergarten through grade 12) education, as determined under State law.⁴

An itemized deduction, not limited to a prescribed dollar amount, is allowed for “educator expenses.”⁵ This itemized deduction for educator expenses is allowed to a broader class of individuals for a broader class of education expenses. This itemized deduction is allowed for interscholastic sports administrators and coaches as well as for teachers, instructors, counselors, principals, and aides. This itemized deduction is allowed both for expenses for which the above-the-line deduction is allowed and also for expenses paid or incurred (i) for nonathletic supplies for courses of instruction in health or physical education or (ii) in connection with books, supplies, equipment, and supplementary materials used as part of instructional activity, whether or not in the classroom.

An eligible educator who claims the maximum amount of the above-the-line deduction and who has additional expenses that are considered educator expenses may, if the individual elects to itemize deductions, claim an itemized deduction for these additional expenses.

Description of Proposal

The proposal broadens the definition of “eligible educator” so that it includes early childhood educators (educators for children before kindergarten).

² Sec. 62(a)(2)(D).

³ Sec. 62(a)(2)(D), (d)(3); Rev. Proc. 2025-32, 2025-45 I.R.B. 695.

⁴ Sec. 62(d)(1).

⁵ Secs. 67(b)(13), (g), 162(a).

The proposal broadens the definition of “school” so that the defined term includes a school that provides early childhood education.

The broadened definitions of eligible educator and school apply for purposes of both the above-the-line deduction allowed to eligible educators and the itemized deduction for educator expenses.

Effective Date

The proposal applies to expenses incurred in taxable years beginning after December 31, 2024.

B. Estimated Revenue Effects of the Proposal

The proposal is estimated to have the following effect on Federal fiscal year budget receipts:

Fiscal Years												
[Millions of Dollars]												
<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2026-31</u>	<u>2026-36</u>
-30	-59	-61	-62	-61	-60	-60	-61	-68	-68	-68	-334	-659

NOTE: Details may not add to totals due to rounding.