



Senate Finance Committee

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SENATE BILL 23, PN 31

BILL SUMMARY

This legislation is part of a two-bill package (together with Senate Bill 24) which will provide an annual state income tax credit of up to \$250 for “active” volunteer firefighters (Senate Bill 23) and “active” volunteer Emergency Medical Services (EMS) personnel (Senate Bill 24).

Senate Bill 23 and Senate Bill 24 were recommended unanimously by the special bipartisan Senate Resolution 60 Commission that was charged with developing legislation to improve emergency services in Pennsylvania during the 2003-04 legislative session.

Summary of Legislation:

This legislation is called the Volunteer Fire Service Tax Credit Law.

It provides that a person certified as an “active” volunteer firefighter by the State Fire Commissioner may claim a personal income tax credit of up to \$250. If the firefighter’s total State income tax liability is less than \$250, the credit shall equal the remaining tax liability.

The State Fire Commissioner shall develop and implement a volunteer fire service point system establishing the annual requirements for designation of firefighters as “active” volunteer firefighters. To determine whether a firefighter is “active”, the point system shall take into account, among other factors:

- The number of emergency calls a firefighter responds to
- The firefighter’s level of training and participation in formal training and drills
- Time spent by the firefighter or administrative and other support services, such as fundraising and maintenance of facilities and equipment
- A firefighter’s involvement in other events or projects that aid a volunteer fire company’s financial viability, emergency response or operational readiness.

Volunteer fire companies would be required to maintain service logs documenting the activities of each firefighter that qualify for bonus points toward designation as an active volunteer firefighter under the volunteer fire service point system. Service logs maintained by volunteer fire companies shall be subject to periodic review by the Auditor General, the Department of Revenue, and the governing body of the municipality in which the volunteer fire company is located or provides services.

Within ten business days of the end of each calendar year, the chief of a volunteer fire company, or the chief’s designee, shall report to the State Fire Commissioner the name and address of each firefighter who qualifies for the previous calendar year as an active volunteer firefighter under the volunteer fire service point system. The Commissioner shall prescribe a format for reporting

active volunteer firefighters through the Pennsylvania Fire Information Reporting System (PennFIRS), or any other system approved by the Commissioner.

On or before January 31 of each year, the State Fire Commissioner shall certify each firefighter reported as having met the requirements for the designation as an active volunteer firefighter under the volunteer fire service point system. The commissioner, in cooperation with the Department of Revenue, shall develop as procedure for documenting the certification for tax purposes.

Any person who knowingly make or conspires to make a false report under this article to the State Fire Commissioner or provides or conspires to provide false information used to compile a report is guilty of a misdemeanor of the first degree.

Dedicated funding for the tax credits and administration of the tax credit program would be derived from revenues generated by the state's existing 2 percent gross premiums tax on insurance companies. Currently, only a portion of revenue generated by the 2 percent tax on fire insurance premiums issued by out-of-state insurance companies doing business in Pennsylvania (foreign insurers) is dedicated for the benefit of volunteer responder's (firemen's relief).

The act takes effect in 60 days.

Amendment A 00898 (Senator Wozniak): Incorporates the language from Senate Bill 24 into Senate Bill 23, so that they are merged into one bill to move through the legislative process. If this amendment succeeds, Senate Bill 24 could be withdrawn.

The amendment also further clarifies, as is the intent of the legislation, that funding for the tax credits would not come from insurance premiums tax revenues already dedicated for firemen's relief, career firefighter pensions, police pensions and municipal pension assistance.

Finally, the amendment makes clear that volunteer fire police are included in the definition of members of volunteer fire companies and eligible for the tax credits if they are "active" volunteers.