



Senate Finance Committee

Senator Patrick M. Browne
Chairman

459 Main Capitol Building
Harrisburg, PA 17120-3016
(717) 787-1349

Stacey M. Connors, Esq.
Executive Director
sconnors@pasen.gov

AMENDMENT SUMMARY

A06612 to SENATE BILL 1316, PN 1853

A06612 makes a number of technical and drafting corrections which were intended to be reflected in the version of SB 1316 that was introduced by Senator Baker:

- **Defines “pass-through entity,” “qualified employee” and “qualified tax liability.”**
- **Provides further detail regarding the application process to the Department of Revenue and the credit for employment:**

“Qualified employees” are defined as active volunteer firefighters or active volunteer emergency medical service workers as certified by the State Fire Commissioner or the Director of Emergency Medical Services in the Department of Health under provisions provided for by this article.

A taxpayer may apply to the department for a tax credit by filing an application on the form required by the department. The application shall contain the following information:

- (1) The name and tax identification number of all qualified employees.
- (2) The name and location of the volunteer fire company or volunteer emergency medical services/ambulance department where the qualified employee is an active member.

A taxpayer is eligible for a tax credit if:

- 1) A taxpayer employs within this Commonwealth a qualified employee who is an active volunteer.
- 2) A taxpayer adopts and implements a policy that permits a qualified employee to be absent from work, without penalty, for the purpose of responding to a duty call, fire protection, emergency call, or annual emergency services training.
- 3) At the request of the taxpayer, any qualified employee losing time during normal work time hours as provided for in paragraph (2) shall supply his employer with a statement from the chief of the volunteer fire department of the supervisor or other appropriate person in charge of the volunteer response service stating that the employee responded to an emergency call and the date and time of the call.

Application. – A tax credit approved by the department in a taxable year first shall be applied against the taxpayer’s qualified liability for the current taxable year as of the date on which the credit was approved before the tax credit can be applied against any tax liability. A taxpayer is not entitled to carry back, obtain a refund of, sell or assign an unused tax credit.

If a pass-through entity has any unused tax credit under section 1803-C, it may elect, in writing, according to procedures established by the department, to transfer all or a portion of the credit to shareholders, members or partners in proportion to the share of the entity's distributive income to which the shareholder, member or partner is entitled.

A pass-through entity and a shareholder, member or partner of a pass-through entity shall not claim the credit for the same qualified volunteer.

A shareholder, member or partner of a pass-through entity to whom a credit is transferred shall immediately claim the credit in the taxable year in which the transfer is made. The shareholder, member or partner may not carry forward, carry back, obtain a refund of or sell or assign the credit.

- **Requires that the Secretary of the Department of Revenue provide an annual report to the General Assembly summarizing the utilization of the tax credit program established under this statute and its impact on volunteer retention and recruitment efforts:**

Report to the General Assembly. – No later than June 1, 2008, and September 1 of each year thereafter, the Secretary of the Department of Revenue shall submit a report to the General Assembly summarizing the utilization of the tax credit provided by this article with fire and emergency service retention and recruitment efforts. The report may also include any recommendations for changes in the calculation or administration of the tax credit. The report shall be submitted to the chairman and the minority chairman of the Appropriations and Finance Committees of the Senate and House of Representatives.

- **Outlines what behaviors/actions are expected from the employer in exchange for award of the tax credit:**

Repayment to Commonwealth: A taxpayer who claims a credit under this article but fails to meet the standards stated in section 1803-C shall repay to the Commonwealth the full amount of the tax credit.

Penalty. – Any taxpayer who willfully and knowingly violates the provisions of this Act and takes adverse employment action against volunteers for responding to emergency calls shall be required to reinstate the qualified employee to his or her former position. The taxpayer shall also pay the employee for all lost wages and benefits, including seniority, for the period between termination and reinstatement to his or her former position.