

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 785 Session of  
2005

INTRODUCED BY T. STEVENSON, BAKER, BALDWIN, BASTIAN, BEBKO-  
JONES, BELFANTI, CALTAGIRONE, CAPPELLI, CORRIGAN, CRAHALLA,  
CREIGHTON, CURRY, DALLY, DeWEESE, DIVEN, FLEAGLE, FORCIER,  
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PISTELLA, READSHAW, REED, ROBERTS, SAINATO, SATHER, SAYLOR,  
SCAVELLO, SHANER, STABACK, SURRA, THOMAS, WALKO, WILT,  
WOJNAROSKI, YOUNGBLOOD, ZUG, E. Z. TAYLOR, ARMSTRONG, BARRAR,  
SOLOBAY, M. KELLER, McILHINNEY, ROSS, GOOD, LEVDANSKY,  
HARRIS, S. MILLER, RAPP, WANSACZ, LEACH, YUDICHAK, MARSICO  
AND DeLUCA, MARCH 14, 2005

REFERRED TO COMMITTEE ON FINANCE, MARCH 14, 2005

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," authorizing a tax credit for volunteer  
11 firefighters for purposes of personal income tax.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
15 the Tax Reform Code of 1971, is amended by adding an article to  
16 read:

ARTICLE XVIII-C

1 VOLUNTEER FIREFIGHTER TAX CREDIT

2 Section 1801-C. Short Title.--This article shall be known  
3 and may be cited as the "Volunteer Firefighter Tax Relief Law."

4 Section 1802-C. Definitions.--The following words, terms and  
5 phrases, when used in this article, shall have the meanings  
6 ascribed to them in this section, except where the context  
7 clearly indicates a different meaning:

8 "Department" means the Department of Revenue of the  
9 Commonwealth.

10 "Firefighting service hour" means an hour during which a  
11 volunteer firefighter provides firefighting services in response  
12 to an emergency call.

13 "Secretary" means the Secretary of Revenue of the  
14 Commonwealth.

15 "Taxpayer" means an individual who is subject to tax under  
16 Article III.

17 "Volunteer firefighter" shall have the same meaning given to  
18 it under section 2 of the act of June 11, 1968 (P.L.149, No.84),  
19 known as the "Volunteer Firefighters' Relief Association Act."

20 Section 1803-C. Credit Authorized.--(a) A taxpayer who is a  
21 volunteer firefighter, responds to an emergency call and has the  
22 taxpayer's name entered on the fire log in a taxable year may  
23 apply for a tax credit from tax imposed under Article III. By  
24 September 15, the taxpayer must submit an application to the  
25 department that sets forth the number of firefighting service  
26 hours in the calendar year that ended in the prior calendar  
27 year.

28 (b) A taxpayer that is qualified under subsection (a) shall  
29 receive a volunteer firefighter tax credit for the taxable year  
30 in the amount of the product of:

1     (1) the number of firefighting service hours times the  
2     service rate established in accordance with section 1804-C; and  
3     (2) the rate of tax established in section 302.

4     (c) The department shall notify the taxpayer of the amount  
5     of credit awarded under this article.

6     Section 1804-C. Establishment of Service Rate.--The  
7     secretary shall prescribe by regulation a service rate equal to  
8     an amount of reasonable compensation for the services provided  
9     by volunteer firefighters. The secretary may, in his sole  
10    discretion, by regulation annually adjust the service rate.

11    Section 1805-C. Report to General Assembly.--The secretary  
12    shall submit an annual report to the General Assembly indicating  
13    the effectiveness of the credit provided by this article not  
14    later than March 15 following the year in which the credits are  
15    approved. The report shall include the number of taxpayers  
16    utilizing the credit as of the date of the report and the number  
17    of credits approved and utilized. The report may also include  
18    any recommendations for changes in the calculation or  
19    administration of the credit.

20    Section 1806-C. Regulations.--The secretary shall promulgate  
21    regulations necessary for the implementation and administration  
22    of this article.

23    Section 2. This act shall take effect in 60 days.