

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1316 Session of 2008

INTRODUCED BY BAKER, WAUGH, RAFFERTY, PUNT, O'PAKE, MADIGAN, KASUNIC, FONTANA, ERICKSON, BOSCOLA, ORIE, KITCHEN, TOMLINSON, EICHELBERGER, WONDERLING, REGOLA, LOGAN, CORMAN, ARMSTRONG, BROWNE, BRUBAKER, ROBBINS, PIPPY, EARLL, COSTA, WOZNIAK, C. WILLIAMS, FOLMER, M. WHITE, D. WHITE, RHOADES, McILHINNEY, DINNIMAN, STOUT, MUSTO, WASHINGTON AND FERLO, MARCH 20, 2008

SENATOR ARMSTRONG, APPROPRIATIONS, RE-REPORTED AS AMENDED, JUNE 2, 2008

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," providing for a tax credit for employers of~~  
11 ~~volunteer firefighters and emergency medical services~~  
12 ~~workers.~~

13 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <—  
14 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING  
15 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING  
16 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,  
17 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING  
18 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND  
19 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN  
20 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS  
21 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND  
22 PENALTIES," PROVIDING FOR A TAX CREDIT FOR EMPLOYERS OF  
23 VOLUNTEER FIREFIGHTERS AND EMERGENCY MEDICAL SERVICES  
24 WORKERS.

25 The General Assembly of the Commonwealth of Pennsylvania  
26 hereby enacts as follows:

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

4 ARTICLE XVIII C

5 VOLUNTEER FIREFIGHTER AND EMERGENCY MEDICAL  
6 SERVICES WORKER EMPLOYER TAX CREDIT

7 Section 1801 C. Definitions.

8 The following words and phrases when used in this article  
9 shall have the meanings given to them in this section unless the  
10 context clearly indicates otherwise:

11 "Active volunteer." A volunteer firefighter or volunteer  
12 emergency medical services worker.

13 "Commissioner." The State Fire Commissioner appointed  
14 pursuant to section 3 of the act of November 13, 1995 (P.L.604,  
15 No.61), known as the State Fire Commissioner Act.

16 "Department." The Department of Revenue of the Commonwealth.

17 "Director." The director of the Emergency Medical Services  
18 Office in the Department of Health.

19 "Pass through entity." A partnership as defined in section  
20 301(n.0) or a Pennsylvania S corporation as defined in section  
21 301(n.1).

22 "Qualified employee." An active volunteer firefighter or  
23 active volunteer emergency medical service worker employed by a  
24 taxpayer under this article.

25 "Qualified tax liability." The liability for taxes imposed  
26 under Article III, IV or VI. The term shall not include any tax  
27 withheld by an employer from an employee under Article III.

28 "Secretary." The Secretary of Revenue of the Commonwealth.

29 "Tax credit." The tax credit available to employers of  
30 volunteer firefighters or volunteer emergency medical services

1 ~~workers under this article.~~

2 ~~"Taxpayer." An individual subject to payment of taxes under~~  
3 ~~Article III, IV or VI.~~

4 ~~"Volunteer emergency medical services worker." A person~~  
5 ~~certified as an active volunteer emergency medical services~~  
6 ~~provider by the director of the Emergency Medical Services~~  
7 ~~Office of the Department of Health.~~

8 ~~"Volunteer fire company." A nonprofit chartered corporation,~~  
9 ~~association or organization located in this Commonwealth that~~  
10 ~~provides fire protection services and may offer other volunteer~~  
11 ~~services within this Commonwealth. Voluntary emergency services~~  
12 ~~provided by a volunteer fire company may include voluntary~~  
13 ~~ambulance and voluntary rescue services.~~

14 ~~"Volunteer firefighter." The term shall have the same~~  
15 ~~meaning given to it under section 2 of the act of June 11, 1968~~  
16 ~~(P.L.149, No.84), known as the Volunteer Firefighters' Relief~~  
17 ~~Association Act. The term includes fire police.~~

18 ~~Section 1802 C. Application process.~~

19 ~~(a) Application to department. A taxpayer may apply to the~~  
20 ~~department for a tax credit by filing an application on the form~~  
21 ~~required by the department. The application shall contain the~~  
22 ~~following information:~~

23 ~~(1) The name and tax identification number of all~~  
24 ~~qualified employees.~~

25 ~~(2) The name and location of the volunteer fire company~~  
26 ~~or volunteer emergency medical services/ambulance department~~  
27 ~~where the qualified employee is an active member.~~

28 ~~(3) Any other information deemed appropriate by the~~  
29 ~~department.~~

30 ~~(b) Review and approval. The department shall review and~~

1 ~~approve or disapprove the applications in the order in which~~  
2 ~~they are received. Upon determining that the taxpayer has~~  
3 ~~employed a qualified employee or employees, the department may~~  
4 ~~approve the taxpayer for a tax credit.~~

5 ~~Section 1803 C. Credit for employment.~~

6 ~~(a) Credit for employment of volunteer firefighters and~~  
7 ~~emergency medical services personnel. A taxpayer shall be~~  
8 ~~eligible for a tax credit as provided in subsection (b) against~~  
9 ~~the tax imposed under Article III, IV or VI if:~~

10 ~~(1) The taxpayer employs within this Commonwealth a~~  
11 ~~qualified employee who is an active volunteer.~~

12 ~~(2) The taxpayer adopts and implements a policy that~~  
13 ~~permits a qualified employee to be absent from work, without~~  
14 ~~penalty, for the purpose of responding to a duty call, fire~~  
15 ~~protection, emergency call or annual emergency services~~  
16 ~~training.~~

17 ~~(3) At the request of the taxpayer, any qualified~~  
18 ~~employee losing time during normal work time hours as~~  
19 ~~provided for in paragraph (2) shall supply his employer with~~  
20 ~~a statement from the chief of the volunteer fire department~~  
21 ~~or the supervisor or other appropriate person in charge of~~  
22 ~~the volunteer response service stating that the employee~~  
23 ~~responded to an emergency call and the date and time of the~~  
24 ~~call.~~

25 ~~(b) Maximum credit. A taxpayer may claim a tax credit for~~  
26 ~~each full time employee who qualifies under subsection (a) as~~  
27 ~~follows:~~

28 ~~(1) The taxpayer may claim a full \$1,000 tax credit for~~  
29 ~~all employees who qualify under subsection (a). This credit~~  
30 ~~may be claimed only once with respect to each qualified~~

~~employee and may not be claimed if the qualified employee has been claimed by a previous employer during the same taxable year.~~

~~(2) If the employee is not qualified for the entire tax year, the amount of tax credit shall be prorated and the credit amount shall equal \$1,000, divided by 12, multiplied by the number of months in the tax year the employee was employed by the taxpayer. The credit shall be rounded to the nearest \$5. If the taxpayer is an active volunteer during any part of a month, the taxpayer shall be considered an active volunteer for the entire month. If the taxpayer is a volunteer firefighter and a volunteer emergency medical services worker during the same month, a credit may be claimed for only one active volunteer position for that month. This credit may be claimed only once with respect to each qualified employee and may not be claimed if the qualified employee has been claimed by a previous employer.~~

~~(3) The taxpayer's total tax credit under this article may not exceed more than \$5,000 in any given tax year.~~

~~(c) Claim period. Claims for a tax credit must be filed for the first taxable year by the department under section 1802 C.~~

~~(d) Definition. For purposes of this section, the term "penalty" includes:~~

~~(1) termination, discharge or layoff from employment;~~

~~(2) adverse discrimination in terms of rates of pay, benefit levels, advancement opportunities or selection for job training opportunities.~~

~~Section 1804 C. Fire and EMS employer credits.~~

~~A taxpayer may claim a tax credit against the qualified tax liability of the taxpayer.~~

1 ~~Section 1805 C. Carryover and carryback of credit.~~

2 ~~(a) General rule. If the taxpayer cannot use the entire~~  
3 ~~amount of the tax credit for the first taxable year in which the~~  
4 ~~taxpayer is eligible for the credit, then the excess may be~~  
5 ~~carried over to succeeding taxable years and used as a credit~~  
6 ~~against the qualified tax liability of the taxpayer for those~~  
7 ~~taxable years. Each time that the tax credit is carried over to~~  
8 ~~a succeeding taxable year, it shall be reduced by the amount~~  
9 ~~that was used as a credit during the immediately preceding~~  
10 ~~taxable year. The tax credit provided by this article may be~~  
11 ~~carried over and applied to succeeding taxable years for no more~~  
12 ~~than three taxable years following the first taxable year for~~  
13 ~~which the taxpayer was entitled to claim the credit.~~

14 ~~(b) Application. A tax credit approved by the department in~~  
15 ~~a taxable year first shall be applied against the taxpayer's~~  
16 ~~qualified liability for the current taxable year as of the date~~  
17 ~~on which the credit was approved before the tax credit can be~~  
18 ~~applied against any tax liability under subsection (a).~~

19 ~~(c) No carryback, refund, sale or assignment. A taxpayer is~~  
20 ~~not entitled to carry back, obtain a refund of, sell or assign~~  
21 ~~an unused tax credit.~~

22 ~~Section 1806 C. Pass through entity.~~

23 ~~(a) General rule. If a pass through entity has any unused~~  
24 ~~tax credit under section 1803 C, it may elect in writing,~~  
25 ~~according to procedures established by the department, to~~  
26 ~~transfer all or a portion of the credit to shareholders, members~~  
27 ~~or partners in proportion to the share of the entity's~~  
28 ~~distributive income to which the shareholder, member or partner~~  
29 ~~is entitled.~~

30 ~~(b) Limitation. A pass through entity and a shareholder,~~

~~1 member or partner of a pass through entity shall not claim the  
2 credit under subsection (a) for the same qualified volunteer.~~

~~3 (c) Application. A shareholder, member or partner of a  
4 pass through entity to whom a credit is transferred under  
5 subsection (a) shall immediately claim the credit in the taxable  
6 year in which the transfer is made. The shareholder, member or  
7 partner may not carry forward, carry back, obtain a refund of or  
8 sell or assign the credit.~~

~~9 Section 1807 C. Total amount of credits.~~

~~10 (a) General rule. The total amount of tax credits  
11 authorized by this article shall not exceed \$5,000,000 in each  
12 fiscal year. If the credits exceed the \$5,000,000 cap in a given  
13 year, the credits will be allocated on a pro rata basis.~~

~~14 (b) Allocation. If the total amount of the tax credits  
15 applied for by all taxpayers exceeds the amount allocated for  
16 those credits, then the tax credit to be received by each  
17 applicant shall be the product of the allocated amount  
18 multiplied by the quotient of the tax credit applied for by the  
19 applicant divided by the total of all tax credits applied for by  
20 all applicants, the algebraic equivalent of which is:~~

~~21 taxpayer's tax credit = amount allocated for those  
22 credits X (tax credit applied for by the applicant/total  
23 of all credits applied for by all applicants).~~

~~24 Section 1808 C. Active volunteer point system.~~

~~25 (a) Duty to develop and implement. The commissioner and the  
26 director shall jointly develop and implement an active volunteer  
27 point system establishing the annual requirements for  
28 designating firefighters and emergency medical services workers,  
29 respectively, as active volunteers.~~

~~30 (b) Factors to be considered. To determine whether a~~

1 ~~firefighter or emergency medical services worker is active, the~~  
2 ~~point system shall consider the following factors:~~

3 ~~(1) The number of emergency calls responded to.~~

4 ~~(2) The volunteer's level of training and participation~~  
5 ~~in formal training and drills.~~

6 ~~(3) Time spent on administration and support activities,~~  
7 ~~including fundraising and maintenance of facilities and~~  
8 ~~equipment.~~

9 ~~(4) Involvement in other projects that directly benefit~~  
10 ~~the department's financial viability, emergency response or~~  
11 ~~operational readiness.~~

12 ~~Section 1809 C. Credit verification.~~

13 ~~(a) Volunteer fire company duty to report. Within ten~~  
14 ~~business days of the end of each calendar year, the chief of~~  
15 ~~each volunteer fire company shall submit a report to the~~  
16 ~~commissioner with the name and address of each volunteer~~  
17 ~~firefighter who qualified for the tax credit for the previous~~  
18 ~~calendar year in the format specified by the secretary.~~

19 ~~(b) Volunteer emergency medical services and ambulance~~  
20 ~~department duty to report. Within ten business days of the end~~  
21 ~~of each calendar year, the chief of each volunteer emergency~~  
22 ~~medical services or ambulance department shall submit a report~~  
23 ~~to the director. The report shall include the name and address~~  
24 ~~of each volunteer emergency medical services worker who~~  
25 ~~qualified for the tax credit for the previous calendar year in~~  
26 ~~the format required by the secretary.~~

27 ~~Section 1810 C. Active volunteer certification.~~

28 ~~(a) General rule. On or before January 31 of each year, the~~  
29 ~~commissioner and the director shall certify each volunteer~~  
30 ~~firefighter or volunteer emergency medical services worker~~

1 ~~reported under section 1809 C as having met the requirements for~~  
2 ~~designation as an active volunteer.~~

3 ~~(b) Procedures. The commissioner and the director, in~~  
4 ~~cooperation with the secretary, shall jointly develop procedures~~  
5 ~~for documenting volunteer certification for tax credit purposes.~~

6 ~~Section 1811 C. Regulations.~~

7 ~~The department shall prepare any forms that may be necessary~~  
8 ~~to claim a tax credit, may require proof of the claim for tax~~  
9 ~~credit and may adopt rules and regulations to administer the~~  
10 ~~credit.~~

11 ~~Section 1812 C. Report to General Assembly.~~

12 ~~No later than June 1, 2008, and September 1 of each year~~  
13 ~~thereafter, the secretary shall submit a report to the General~~  
14 ~~Assembly summarizing the utilization of the tax credit provided~~  
15 ~~by this article with fire and emergency service retention and~~  
16 ~~recruitment efforts. The report shall include the name of the~~  
17 ~~employers who utilized the credit as of the date of the report~~  
18 ~~and the amount of the credits approved. The report may also~~  
19 ~~include any recommendations for changes in the calculation or~~  
20 ~~administration of the tax credit. The report shall be submitted~~  
21 ~~to the chairman and minority chairman of the Appropriations~~  
22 ~~Committee of the Senate, the chairman and minority chairman of~~  
23 ~~the Appropriations Committee of the House of Representatives,~~  
24 ~~the chairman and minority chairman of the Finance Committee of~~  
25 ~~the Senate and the chairman and minority chairman of the Finance~~  
26 ~~Committee of the House of Representatives. The report may~~  
27 ~~include other information that the department believes will~~  
28 ~~assist in evaluating the credit program.~~

29 ~~Section 1813 C. Penalty.~~

30 ~~(a) Repayment to Commonwealth. A taxpayer who claims a~~

1 ~~credit under this article but fails to meet the standards stated~~  
2 ~~in section 1803 C shall repay to the Commonwealth the full~~  
3 ~~amount of the tax credit.~~

4 ~~(b) Reinstatement of qualified employees. Any taxpayer who~~  
5 ~~willfully and knowingly violates the provisions of section 1803-~~  
6 ~~C and takes adverse employment action against volunteers for~~  
7 ~~responding to emergency calls shall be required to reinstate the~~  
8 ~~qualified employee to his or her former position. The taxpayer~~  
9 ~~shall also pay the employee for all lost wages and benefits,~~  
10 ~~including seniority, for the period between termination and~~  
11 ~~reinstatement to his former position.~~

12 ~~Section 2. This act shall apply to all taxable years~~  
13 ~~beginning on or after January 1, 2009.~~

14 ~~Section 3. This act shall take effect immediately.~~

15 SECTION 1. THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS <—  
16 THE TAX REFORM CODE OF 1971, IS AMENDED BY ADDING AN ARTICLE TO  
17 READ:

18 ARTICLE XVIII-C

19 VOLUNTEER FIREFIGHTER AND EMERGENCY MEDICAL

20 SERVICES WORKER EMPLOYER TAX CREDIT

21 SECTION 1801-C. DEFINITIONS.

22 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
23 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
24 CONTEXT CLEARLY INDICATES OTHERWISE:

25 "ACTIVE VOLUNTEER." A VOLUNTEER FOR A VOLUNTEER AMBULANCE  
26 SERVICE, VOLUNTEER FIRE COMPANY OR VOLUNTEER RESCUE COMPANY  
27 CERTIFIED BY THE COMMISSIONER AND THE DIRECTOR AS MEETING THE  
28 CRITERIA OF THIS ACT AND EMPLOYED BY A TAXPAYER IN THIS  
29 COMMONWEALTH.

30 "COMMISSIONER." THE STATE FIRE COMMISSIONER APPOINTED

1 PURSUANT TO SECTION 3 OF THE ACT OF NOVEMBER 13, 1995 (P.L.604,  
2 NO.61), KNOWN AS THE STATE FIRE COMMISSIONER ACT.

3 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

4 "DIRECTOR." THE DIRECTOR OF THE EMERGENCY MEDICAL SERVICES  
5 OFFICE IN THE DEPARTMENT OF HEALTH.

6 "PASS-THROUGH ENTITY." A PARTNERSHIP AS DEFINED IN SECTION  
7 301(N.0) OR A PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION  
8 301(N.1).

9 "PENALTY." INCLUDES THE FOLLOWING:

10 (1) TERMINATION, DISCHARGE OR LAYOFF FROM EMPLOYMENT; OR

11 (2) ADVERSE DISCRIMINATION IN TERMS OF RATES OF PAY,  
12 BENEFIT LEVELS, ADVANCEMENT OPPORTUNITIES OR SELECTION FOR  
13 JOB TRAINING OPPORTUNITIES.

14 "QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED  
15 UNDER ARTICLE III, IV OR VI. THE TERM SHALL NOT INCLUDE ANY TAX  
16 WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER ARTICLE III.

17 "TAX CREDIT." THE TAX CREDIT AVAILABLE TO EMPLOYERS OF  
18 ACTIVE VOLUNTEERS UNDER THIS ARTICLE.

19 "TAXPAYER." AN INDIVIDUAL SUBJECT TO PAYMENT OF TAXES UNDER  
20 ARTICLE III, IV OR VI.

21 "VOLUNTEER AMBULANCE SERVICE." AS DEFINED IN SECTION 102 OF  
22 THE ACT OF JULY 31, 2003 (P.L.73, NO.17), KNOWN AS THE VOLUNTEER  
23 FIRE COMPANY AND VOLUNTEER AMBULANCE SERVICE GRANT ACT.

24 "VOLUNTEER FIRE COMPANY." AS DEFINED IN SECTION 102 OF THE  
25 ACT OF JULY 31, 2003 (P.L.73, NO.17), KNOWN AS THE VOLUNTEER  
26 FIRE COMPANY AND VOLUNTEER AMBULANCE SERVICE GRANT ACT.

27 "VOLUNTEER RESCUE COMPANY." AS DEFINED IN SECTION 102 OF THE  
28 ACT OF JULY 31, 2003 (P.L.73, NO.17), KNOWN AS THE VOLUNTEER  
29 FIRE COMPANY AND VOLUNTEER AMBULANCE SERVICE GRANT ACT.

30 SECTION 1802-C. APPLICATION.

1       (A) APPLICATION TO DEPARTMENT.--A TAXPAYER MAY SUBMIT AN  
2 APPLICATION FOR A TAX CREDIT UNDER THIS ARTICLE IN A MANNER  
3 REQUIRED BY THE DEPARTMENT. THE APPLICATION SHALL CONTAIN THE  
4 FOLLOWING INFORMATION:

5           (1) THE NAMES AND TAX IDENTIFICATION NUMBERS OF ALL  
6 ACTIVE VOLUNTEERS EMPLOYED BY THE TAXPAYER.

7           (2) THE NAME AND LOCATION OF THE VOLUNTEER FIRE COMPANY,  
8 VOLUNTEER AMBULANCE SERVICE OR VOLUNTEER RESCUE COMPANY OF  
9 WHICH THE EMPLOYEE IS AN ACTIVE VOLUNTEER.

10          (3) ANY OTHER INFORMATION DEEMED APPROPRIATE BY THE  
11 DEPARTMENT.

12       (B) APPROVAL.--THE DEPARTMENT SHALL REVIEW AND APPROVE OR  
13 DISAPPROVE EACH APPLICATION IN THE ORDER IN WHICH IT IS  
14 RECEIVED. UPON A DETERMINATION THAT THE TAXPAYER HAS EMPLOYED AN  
15 ACTIVE VOLUNTEER, THE DEPARTMENT MAY APPROVE THE TAXPAYER FOR A  
16 TAX CREDIT.

17 SECTION 1803-C. TAXPAYER CREDIT.

18       A TAXPAYER MAY CLAIM A TAX CREDIT AGAINST THE QUALIFIED TAX  
19 LIABILITY OF THE TAXPAYER.

20 SECTION 1804-C. TAXPAYER ELIGIBILITY.

21       (A) CREDIT FOR EMPLOYMENT.--A TAXPAYER SHALL BE ELIGIBLE FOR  
22 A TAX CREDIT UNDER SUBSECTION (B) AGAINST THE TAX IMPOSED UNDER  
23 ARTICLE III, IV OR VI IF:

24           (1) THE TAXPAYER EMPLOYS AN ACTIVE VOLUNTEER WITHIN THIS  
25 COMMONWEALTH.

26           (2) THE TAXPAYER IMPLEMENTS A POLICY THAT PERMITS AN  
27 ACTIVE VOLUNTEER TO BE ABSENT FROM WORK, WITHOUT PENALTY, FOR  
28 THE PURPOSE OF RESPONDING TO A DUTY CALL, FIRE PROTECTION  
29 CALL, EMERGENCY CALL OR ANNUAL EMERGENCY SERVICES TRAINING.

30           (3) THE ACTIVE VOLUNTEER LOSING TIME DURING NORMAL WORK

1 TIME HOURS UNDER PARAGRAPH (2) PROVIDES THE TAXPAYER WITH A  
2 STATEMENT FROM THE SUPERVISOR OR CHIEF OF THE VOLUNTEER FIRE  
3 DEPARTMENT, VOLUNTEER AMBULANCE SERVICE OR VOLUNTEER RESCUE  
4 COMPANY STATING THAT THE ACTIVE VOLUNTEER RESPONDED TO A DUTY  
5 CALL, FIRE PROTECTION CALL, EMERGENCY CALL OR ANNUAL  
6 EMERGENCY SERVICES TRAINING.

7 (B) MAXIMUM CREDIT.--A TAXPAYER WHO QUALIFIES UNDER  
8 SUBSECTION (A)(1) AND (2) MAY CLAIM A TAX CREDIT FOR EACH FULL-  
9 TIME EMPLOYEE WHO QUALIFIES UNDER SUBSECTION (A) AS FOLLOWS:

10 (1) A FULL \$1,000 TAX CREDIT FOR ALL ACTIVE VOLUNTEERS  
11 WHO QUALIFY UNDER SUBSECTION (A). THE CREDIT MAY BE CLAIMED  
12 ONLY ONCE FOR EACH ACTIVE VOLUNTEER AND MAY NOT BE CLAIMED IF  
13 THE ACTIVE VOLUNTEER HAS BEEN CLAIMED BY A PREVIOUS EMPLOYER  
14 DURING THE SAME TAXABLE YEAR.

15 (2) IF THE ACTIVE VOLUNTEER IS NOT QUALIFIED FOR THE  
16 ENTIRE TAX YEAR, THE AMOUNT OF THE TAX CREDIT SHALL BE  
17 PRORATED, AND THE CREDIT AMOUNT SHALL EQUAL \$1,000, DIVIDED  
18 BY 12, MULTIPLIED BY THE NUMBER OF MONTHS IN THE TAX YEAR THE  
19 ACTIVE VOLUNTEER WAS EMPLOYED BY THE TAXPAYER. THE CREDIT  
20 SHALL BE ROUNDED TO THE NEAREST \$5. IF THE EMPLOYEE IS AN  
21 ACTIVE VOLUNTEER DURING ANY PART OF A MONTH, THE EMPLOYEE  
22 SHALL BE CONSIDERED AN ACTIVE VOLUNTEER FOR THE ENTIRE MONTH.  
23 IF THE TAXPAYER IS AN ACTIVE VOLUNTEER DURING THE SAME MONTH,  
24 A CREDIT MAY BE CLAIMED FOR ONLY ONE ACTIVE VOLUNTEER FOR  
25 THAT MONTH. THE CREDIT MAY BE CLAIMED ONLY ONCE WITH RESPECT  
26 TO EACH ACTIVE VOLUNTEER AND MAY NOT BE CLAIMED IF THE ACTIVE  
27 VOLUNTEER HAS BEEN CLAIMED BY A PREVIOUS EMPLOYER.

28 (3) THE TAXPAYER'S TOTAL TAX CREDIT UNDER THIS ARTICLE  
29 MAY NOT EXCEED MORE THAN \$5,000 IN A GIVEN TAX YEAR.

30 SECTION 1805-C. CARRY OVER AND CARRYBACK.

1       (A) GENERAL RULE.--IF THE TAXPAYER CANNOT USE THE ENTIRE  
2 AMOUNT OF THE TAX CREDIT FOR THE FIRST TAXABLE YEAR IN WHICH THE  
3 TAXPAYER IS ELIGIBLE FOR THE CREDIT, THE EXCESS MAY BE CARRIED  
4 OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A CREDIT AGAINST  
5 THE QUALIFIED TAX LIABILITY OF THE TAXPAYER FOR THOSE TAXABLE  
6 YEARS. EACH TIME THE TAX CREDIT IS CARRIED OVER TO A SUCCEEDING  
7 TAXABLE YEAR, IT SHALL BE REDUCED BY THE AMOUNT THAT WAS USED AS  
8 A CREDIT DURING THE IMMEDIATELY PROCEEDING TAXABLE YEAR. THE TAX  
9 CREDIT PROVIDED BY THIS ARTICLE MAY BE CARRIED OVER AND APPLIED  
10 TO SUCCEEDING TAXABLE YEARS FOR NO MORE THAN THREE TAXABLE YEARS  
11 FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE TAXPAYER WAS  
12 ENTITLED TO CLAIM THE CREDIT.

13       (B) APPLICATION.--A TAX CREDIT APPROVED BY THE DEPARTMENT IN  
14 A TAXABLE YEAR SHALL FIRST BE APPLIED AGAINST THE TAXPAYER'S  
15 QUALIFIED LIABILITY FOR THE CURRENT TAXABLE YEARS AS OF THE DATE  
16 ON WHICH THE CREDIT WAS APPROVED BEFORE THE TAX CREDIT CAN BE  
17 APPLIED AGAINST ANY TAX LIABILITY UNDER SUBSECTION (A).

18       (C) LIMITATIONS.--A TAXPAYER IS NOT ENTITLED TO CARRY BACK,  
19 OBTAIN A REFUND OF, SELL OR ASSIGN AN UNUSED TAX CREDIT.  
20 SECTION 1806-C. PASS-THROUGH ENTITY.

21       (A) GENERAL RULE.--IF A PASS-THROUGH ENTITY HAS ANY UNUSED  
22 TAX CREDIT, IT MAY ELECT IN WRITING, ACCORDING TO PROCEDURES  
23 ESTABLISHED BY THE DEPARTMENT, TO TRANSFER ALL OR A PORTION OF  
24 THE CREDIT TO SHAREHOLDERS, MEMBERS OR PARTNERS IN PROPORTION TO  
25 THE SHARE OF THE ENTITY'S DISTRIBUTIVE INCOME TO WHICH THE  
26 SHAREHOLDER, MEMBER OR PARTNER IS ENTITLED.

27       (B) LIMITATION.--A PASS-THROUGH ENTITY AND A SHAREHOLDER,  
28 MEMBER OR PARTNER OF A PASS-THROUGH ENTITY SHALL NOT CLAIM THE  
29 CREDIT UNDER SUBSECTION (A) FOR THE SAME ACTIVE VOLUNTEER.

30       (C) APPLICATION.--A SHAREHOLDER, MEMBER OR PARTNER OF A

1 PASS-THROUGH ENTITY TO WHOM A CREDIT IS TRANSFERRED UNDER  
2 SUBSECTION (A) SHALL IMMEDIATELY CLAIM THE CREDIT IN THE TAXABLE  
3 YEAR IN WHICH THE TRANSFER IS MADE. THE SHAREHOLDER, MEMBER OR  
4 PARTNER MAY NOT CARRY FORWARD, CARRY BACK, OBTAIN A REFUND OF OR  
5 SELL OR ASSIGN THE CREDIT.

6 SECTION 1807-C. TOTAL AMOUNT OF CREDITS.

7 (A) GENERAL RULE.--THE TOTAL AMOUNT OF TAX CREDITS  
8 AUTHORIZED BY THIS ARTICLE SHALL NOT EXCEED \$5,000,000 IN EACH  
9 FISCAL YEAR. IF THE CREDITS EXCEED THE \$5,000,000 CAP IN A GIVEN  
10 YEAR, THE CREDITS SHALL BE ALLOCATED ON A PRO RATA BASIS.

11 (B) ALLOCATION.--IF THE TOTAL AMOUNT OF THE TAX CREDITS  
12 APPLIED FOR BY ALL TAXPAYERS UNDER THIS ARTICLE EXCEEDS THE  
13 AMOUNT ALLOCATED, THE TAX CREDIT TO BE RECEIVED BY EACH  
14 APPLICANT SHALL BE THE PRODUCT OF THE ALLOCATED AMOUNT  
15 MULTIPLIED BY THE QUOTIENT OF THE TAX CREDIT APPLIED FOR BY THE  
16 APPLICANT DIVIDED BY THE TOTAL OF ALL TAX CREDITS APPLIED FOR BY  
17 ALL APPLICANTS, THE ALGEBRAIC EQUIVALENT OF WHICH IS:

18 TAXPAYER'S TAX CREDIT = AMOUNT ALLOCATED FOR THOSE  
19 CREDITS X (TAX CREDIT APPLIED FOR BY THE APPLICANT/TOTAL  
20 OF ALL CREDITS APPLIED FOR BY ALL APPLICANTS).

21 SECTION 1808-C. POINT SYSTEM.

22 (A) GENERAL RULE.--THE COMMISSIONER AND THE DIRECTOR SHALL  
23 JOINTLY DEVELOP AND IMPLEMENT A POINT SYSTEM ESTABLISHING THE  
24 ANNUAL REQUIREMENTS FOR CERTIFICATION OF ACTIVE VOLUNTEERS.

25 (B) FACTORS.--TO DETERMINE WHETHER TO CERTIFY AN INDIVIDUAL  
26 AS AN ACTIVE VOLUNTEER, THE POINT SYSTEM SHALL CONSIDER THE  
27 FOLLOWING FACTORS:

28 (1) THE NUMBER OF EMERGENCY CALLS RESPONDED TO.

29 (2) THE VOLUNTEER'S LEVEL OF TRAINING AND PARTICIPATION  
30 IN FORMAL TRAINING AND DRILLS.

1           (3) TIME SPENT ON ADMINISTRATION AND SUPPORT ACTIVITIES,  
2           INCLUDING FUNDRAISING AND MAINTENANCE OF FACILITIES AND  
3           EQUIPMENT.

4           (4) INVOLVEMENT IN OTHER PROJECTS THAT DIRECTLY BENEFIT  
5           THE ORGANIZATION'S FINANCIAL VIABILITY, EMERGENCY RESPONSE OR  
6           OPERATIONAL READINESS.

7 SECTION 1809-C. APPLICATION PROCESS.

8           AN ACTIVE VOLUNTEER MAY APPLY TO THE DEPARTMENT FOR  
9           CERTIFICATION BY FILING AN APPLICATION ON THE FORM REQUIRED BY  
10          THE DEPARTMENT. THE APPLICATION SHALL CONTAIN THE FOLLOWING  
11          INFORMATION:

12           (1) THE NAME OF THE ACTIVE VOLUNTEER.

13           (2) THE NAME AND ADDRESS OF THE VOLUNTEER FIRE COMPANY,  
14          VOLUNTEER AMBULANCE SERVICE OR VOLUNTEER RESCUE COMPANY WHERE  
15          THE ACTIVE VOLUNTEER IS A MEMBER.

16           (3) ANY OTHER INFORMATION DEEMED TO BE APPROPRIATE BY  
17          THE DEPARTMENT.

18 SECTION 1810-C. CERTIFICATION.

19          (A) SELF-CERTIFICATION.--THE ACTIVE VOLUNTEER SHALL SIGN AND  
20          SUBMIT THE APPLICATION FOR CERTIFICATION UNDER SECTION 1809-C TO  
21          THE CHIEF OF THE VOLUNTEER FIRE COMPANY OR THE SUPERVISOR OR  
22          CHIEF OF THE VOLUNTEER AMBULANCE SERVICE OR VOLUNTEER RESCUE  
23          COMPANY WHERE THE VOLUNTEER SERVES.

24          (B) LOCAL SIGN-OFF.--THE CHIEF OF THE VOLUNTEER FIRE COMPANY  
25          OR THE SUPERVISOR OR CHIEF OF THE VOLUNTEER AMBULANCE SERVICE OR  
26          VOLUNTEER RESCUE COMPANY SHALL SIGN THE APPLICATION ATTESTING TO  
27          THE INDIVIDUAL'S STATUS AS AN ACTIVE VOLUNTEER. THE APPLICATION  
28          SHALL THEN BE FORWARDED TO THE DEPARTMENT FOR FINAL REVIEW AND  
29          PROCESSING.

30          (C) DEPARTMENTAL REVIEW.--THE DEPARTMENT SHALL REVIEW AND

1 APPROVE OR DISAPPROVE THE APPLICATIONS IN THE ORDER IN WHICH  
2 THEY ARE RECEIVED.

3 SECTION 1811-C. REGULATIONS.

4 THE DEPARTMENT SHALL ADOPT REGULATIONS, INCLUDING FORMS,  
5 NECESSARY TO ADMINISTER THIS ARTICLE. THE DEPARTMENT MAY REQUIRE  
6 PROOF OF THE CLAIM FOR TAX CREDIT.

7 SECTION 1812-C. REPORT TO GENERAL ASSEMBLY.

8 NO LATER THAN JUNE 1, 2010, AND SEPTEMBER 1 OF EACH YEAR  
9 THEREAFTER, THE DEPARTMENT SHALL SUBMIT A REPORT ON THE TAX  
10 CREDITS GRANTED UNDER THIS ARTICLE AND THE APPLICABILITY OF THE  
11 TAX CREDIT TO THE RETENTION OF ACTIVE VOLUNTEERS OF A VOLUNTEER  
12 AMBULANCE SERVICE, VOLUNTEER FIRE COMPANY OR VOLUNTEER RESCUE  
13 COMPANY. THE REPORT SHALL INCLUDE THE NAMES OF TAXPAYERS WHO  
14 UTILIZED THE CREDIT AS OF THE DATE OF THE REPORT AND THE AMOUNT  
15 OF CREDITS APPROVED. THE REPORT MAY INCLUDE RECOMMENDATIONS FOR  
16 CHANGES IN THE CALCULATION OR ADMINISTRATION OF THE TAX CREDIT.  
17 THE REPORT SHALL BE SUBMITTED TO THE CHAIRMAN AND MINORITY  
18 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE SENATE, THE  
19 CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE  
20 OF THE HOUSE OF REPRESENTATIVES, THE CHAIRMAN AND MINORITY  
21 CHAIRMAN OF THE FINANCE COMMITTEE OF THE SENATE AND THE CHAIRMAN  
22 AND MINORITY CHAIRMAN OF THE FINANCE COMMITTEE OF THE HOUSE OF  
23 REPRESENTATIVES. THE REPORT MAY INCLUDE OTHER INFORMATION THAT  
24 THE DEPARTMENT DEEMS APPROPRIATE.

25 SECTION 1813-C. PENALTY.

26 (A) REPAYMENT.--A TAXPAYER WHO CLAIMS A CREDIT UNDER THIS  
27 ARTICLE BUT FAILS TO MEET THE STANDARDS UNDER SECTION 1803-C  
28 SHALL REPAY THE FULL AMOUNT OF THE TAX CREDIT TO THE  
29 COMMONWEALTH.

30 (B) REINSTATEMENT.--A TAXPAYER WHO WILLFULLY AND KNOWINGLY

1 VIOLATES SECTION 1803-C AND TAKES ADVERSE EMPLOYMENT ACTION  
2 AGAINST AN ACTIVE VOLUNTEER FOR RESPONDING TO EMERGENCY CALLS  
3 SHALL BE REQUIRED TO REINSTATE THE ACTIVE VOLUNTEER TO HIS  
4 FORMER POSITION. THE TAXPAYER SHALL ALSO PAY THE ACTIVE  
5 VOLUNTEER ALL LOST WAGES AND BENEFITS, INCLUDING SENIORITY, FOR  
6 THE PERIOD BETWEEN TERMINATION AND REINSTATEMENT.

7 SECTION 2. THIS ACT SHALL APPLY TO TAXABLE YEARS BEGINNING  
8 AFTER DECEMBER 31, 2008.

9 SECTION 3. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.