

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 23

Session of
2005

INTRODUCED BY O'PAKE, LOGAN, WAUGH, D. WHITE, COSTA, KASUNIC,
LAVALLE, STOUT, KITCHEN, ERICKSON, ORIE, WAGNER, WONDERLING,
MUSTO, C. WILLIAMS, TARTAGLIONE, GREENLEAF, GORDNER AND
RHOADES, JANUARY 13, 2005

REFERRED TO FINANCE, JANUARY 13, 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 finds and declares as follows:

13 (1) Of Pennsylvania's more than 2,400 fire companies,
14 more than 90% are volunteer.

15 (2) Volunteer firefighters are estimated to save
16 Pennsylvania taxpayers as much as \$6 billion per year.

17 (3) The ranks of Pennsylvania volunteer fire companies
18 have declined by more than half over the past 20 years, from
19 an estimated 152,000 volunteer firefighters in 1985 to 70,000
20 or fewer today.

21 (4) The potential public safety crisis that looms as a

1 result of the continuing decline and shortage of active
2 volunteer firefighters necessitates the Commonwealth's active
3 involvement, in partnership with our local communities, in
4 providing volunteer fire service recruitment and retention
5 incentives.

6 (5) A State personal income tax credit for active
7 volunteer firefighters would provide a small financial token
8 of appreciation for the invaluable service these dedicated
9 men and women provide while encouraging others to join in
10 providing this critical public service in our communities.

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

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

16 ARTICLE XVIII-C

17 VOLUNTEER FIREFIGHTER TAX CREDIT

18 Section 1801-C. Short title.

19 This article shall be known and may be cited as the Volunteer
20 Fire Service Tax Credit Law.

21 Section 1802-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 "Firefighter." A member of a volunteer fire company.

26 "State Fire Commissioner" or "commissioner." The
27 Pennsylvania State Fire Commissioner appointed pursuant to
28 section 3 of the act of November 13, 1995 (P.L.604, No.61),
29 known as the State Fire Commissioner Act.

30 "Volunteer fire company." A nonprofit chartered corporation,

1 association or organization located in this Commonwealth that
2 provides fire protection services and may offer other voluntary
3 emergency services within this Commonwealth. Voluntary emergency
4 services provided by a volunteer fire company may include
5 voluntary ambulance and voluntary rescue services.

6 Section 1803-C. Tax credit.

7 A person certified as an active volunteer firefighter by the
8 State Fire Commissioner may claim a tax credit of up to \$250
9 from tax imposed under Article III. If the firefighter's total
10 State income tax liability is less than \$250, the credit shall
11 equal the remaining tax liability.

12 Section 1804-C. Volunteer fire service point system created.

13 The State Fire Commissioner shall develop and implement a
14 volunteer fire service point system establishing the annual
15 requirements for designation of firefighters as active volunteer
16 firefighters. To determine whether a firefighter is active, the
17 point system shall take into account, among other factors, the
18 number of emergency calls a firefighter responds to, the
19 firefighter's level of training and participation in formal
20 training and drills, time spent by the firefighter on
21 administrative and other support services, such as fundraising
22 and maintenance of facilities and equipment, and a firefighter's
23 involvement in other events or projects that aid a volunteer
24 fire company's financial viability, emergency response or
25 operational readiness.

26 Section 1805-C. Service logs.

27 (a) Maintenance.--The chief of a volunteer fire company, or
28 the chief's designee, shall maintain a service log documenting
29 the activities of each firefighter that qualify for points
30 toward designation as an active volunteer firefighter under the

1 volunteer fire service point system.

2 (b) Review.--Service logs maintained by volunteer fire
3 companies shall be subject to periodic review by the Auditor
4 General, the Department of Revenue and the governing body of the
5 municipality in which the volunteer fire company is located or
6 provides services.

7 Section 1806-C. Reporting by volunteer fire company.

8 Within ten business days of the end of each calendar year,
9 the chief of a volunteer fire company, or the chief's designee,
10 shall report to the State Fire Commissioner the name and address
11 of each firefighter qualified for the previous calendar year as
12 an active volunteer firefighter under the volunteer fire service
13 point system. The commissioner shall prescribe a format for
14 reporting active volunteer firefighters through the Pennsylvania
15 Fire Information Reporting System (PennFIRS), or any other
16 system approved by the commissioner.

17 Section 1807-C. Certification of active volunteer firefighters.

18 On or before January 31 of each year, the State Fire
19 Commissioner shall certify each firefighter reported under
20 section 1806-C as having met the requirements for designation as
21 an active volunteer firefighter under the volunteer fire service
22 point system. The commissioner, in cooperation with the
23 Department of Revenue, shall develop a procedure for documenting
24 the certification for tax purposes.

25 Section 1808-C. Penalties for false reporting.

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

30 Section 1809-C. Funding for credit.

1 The cost of the tax credit and all reasonable expenses for
2 administration of the tax credit program established under this
3 article shall be paid from the amounts not otherwise dedicated
4 to firemen's relief or any other fire service purpose that are
5 received from the insurance premiums tax, set forth in Article
6 IX, on fire insurance companies.

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