



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1683

PRINTERS NO. 4128

PRIME SPONSOR: Warner

COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
General Fund	\$0	\$0

SUMMARY: House Bill 1683, Printer's Number 4128, amends Title 35 to authorize local governing bodies to offer income and/or property tax credits for volunteer first responders.

ANALYSIS: This legislation amends Title 35 (Health and Safety) to create a new Chapter 79-A to provide incentives for volunteers of fire companies and emergency medical services agencies, specifically to authorize local governing bodies to enact a tax credit against an active volunteer's earned income and property tax liability. The governing body of a municipality, with the advice of the head officer for the fire company or emergency medical services (EMS) agency or their designee, to adopt guidelines, forms and applications necessary for the program.

A municipality may, by ordinance or resolution, establish a tax credit for a volunteer's tax liabilities imposed under Chapter 3 of the Local Tax Enabling Act. The ordinance or resolution must include the amount of the tax credit and the governing body must give public notice of its intent to adopt the ordinance or resolution, at least 30 days prior to the adoption of such tax credit. The tax credit shall not exceed 20% of the tax liability of the active volunteer and remain in effect until the governing body repeals the tax credit.

This legislation also creates a volunteer service credit program stating that it shall be established by the State Fire Commissioner through regulation that provides for the certification of a volunteer in active service at a fire company or an EMS agency. The certification program shall consider several parameters, such as the number of emergency calls responded to and the total amount of time spent on administrative and support services. The chief of a fire company or EMS agency shall keep a service log to document activities related to the potential certification of a volunteer. All logs shall be subject to periodic review.

An active volunteer must sign and submit an application for tax credit to the chief, who must then sign the application, attesting to the volunteer's status. The application must then be forwarded to the municipality or school district for approval or rejection. An applicant has the right to appeal a claim that has been rejected. The chief of the fire company or EMS agency supervisor shall submit a notarized list of eligible active volunteers to the municipality no later than 45 days before tax notices are to be distributed.

The bill also states that any person who falsely claims this tax credit or knowingly provides false information shall commit a first degree misdemeanor, punishable by a fine of \$2,500.

The effective date of this legislation is 60 days upon enactment.

FISCAL IMPACT: Enactment of this bill will have no adverse fiscal impact on Commonwealth funds. The State Fire Commissioner is directed to create a volunteer service credit program, which will have administrative and operational costs but are expected to be covered under existing operations.

However, any tax credit ordinance enacted for active volunteers will reduce local tax revenues available to the municipality or school district for each volunteer that applies. The legislation does limit tax credits to not more than twenty percent of the tax liability of the active volunteer. The tax credit shall remain in effect until the governing body repeals the tax credit.

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House Appropriations Committee (R)

DATE: October 27, 2016

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.