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House of Representatives

COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

DATE: Thursday, February 27th, 2014

TO: House Veterans Affairs & Emergency Preparedness Committee Members

FROM: Rep. Kevin Haggerty, Sitting Committee Member

RE: Written testimony for Public Hearing on the Recruitment and Retention Incentives for Volunteer Emergency Responders

I write to submit written testimony for the Committee's collective consideration and review during this meeting that I regrettably, cannot attend in person. In relation to the topic of today's hearing, I'd like to discuss volunteer emergency responder tax credits; specifically, House Bill 1815, legislation I authored to provide for our volunteer firefighters, volunteer emergency medical technicians/paramedics, and volunteer members of ambulance services and rescue squads.

I sincerely believe legislation like this is critically useful in the retention of the Commonwealth's Volunteer Emergency Responders. It is estimated that more than 90 percent of Pennsylvania's emergency service organizations are volunteer organizations. Furthermore, these organizations are credited with saving Pennsylvania taxpayers as much as \$6,000,000 annually. Unfortunately, however, the number of volunteer emergency responders has been rapidly diminishing in recent years. These organizations have seen their numbers decline by over 50 percent in the last three decades, from an estimated 152,000 volunteer firefighters in 1985 to less than 70,000 today.

Seven (7) other states have enacted similar laws: Arkansas, Delaware, Iowa, Louisiana, Maryland, New York and Oklahoma; four (4) others have proposed and introduced bills in their respective chambers: Georgia, Kentucky, Minnesota and Missouri. I have attached summaries of these for the Committee's review.

As you are all aware, Pennsylvania's Volunteer Responder Retention and Recruitment Tax Credit has Expired effective December 31st, 2008 (72 P.S. §§ 8801-D—8812-D). This statute provided a maximum \$100 tax credit to volunteer personnel, limiting the credit to only one year by defining "qualified tax liability" as the tax liability beginning after December 31, 2007 and ending before January 1, 2009. (Id. § 8801-D).

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To be fair, it seems that this legislation was intended to be temporary. Before its passage, at least one Senator described this one-year credit as an intermediate step to a more permanent credit:

Senator O'Pake stated "*we have provided an intermediate step through House Bill no. 377 to include \$4.5 million in this year's budget to support our volunteer responders for a 1-year tax credit of \$100 per volunteer.*" (Pennsylvania Senate Journal, 2008 Reg. Sess. No. 54)

Further, the Governor's signing statement described the law as a "*pilot program tax credit.*" (Pennsylvania Governor's Message, 7/10/2008.)

Apparently, "problems arose with [the law's] application," including the Revenue Department's decision to limit eligibility to individuals filing only as single taxpayers. (Robert Swift, "*NEPA Lawmakers Active on Firefighter Shortage Issue*", The Times Tribune, Nov. 4, 2013) This may be why further tax credit authorization legislation has not yet been taken up.

To this end, I believe it is imperative that the General Assembly tackle this issue so that recruitment and retainment of our Volunteer EMS personnel stays healthy indefinitely.