

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2131 Session of
2007

INTRODUCED BY PETRONE, SOLOBAY, BELFANTI, BRENNAN, CARROLL,
COHEN, CONKLIN, DALEY, GEORGE, GOODMAN, GRUCELA, HARHAI,
HENNESSEY, HORNAMAN, JOSEPHS, KORTZ, KOTIK, LENTZ, MAHONEY,
MANTZ, McCALL, McGEEHAN, McILVAINE SMITH, MENSCH, R. MILLER,
MOYER, MURT, M. O'BRIEN, RAMALEY, RAYMOND, READSHAW, SAINATO,
SAYLOR, SCAVELLO, SEIP, SHIMKUS, SIPTROTH, K. SMITH, SONNEY,
SURRA, J. TAYLOR, THOMAS, J. WHITE, WOJNAROSKI AND
YOUNGBLOOD, DECEMBER 13, 2007

REFERRED TO COMMITTEE ON FINANCE, DECEMBER 13, 2007

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," in insurance premiums tax, further providing for
11 imposition of tax.

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

14 Section 1. Section 902 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, amended June 30,
16 1995 (P.L.139, No.21), is amended to read:

17 Section 902. (a) Imposition of Tax.--Every insurance
18 company, as herein defined, transacting business in the
19 Commonwealth of Pennsylvania, shall pay to the department, a tax

1 at the rate of two and one-half per cent of the gross premiums
2 received from business done within this Commonwealth during each
3 calendar year, except that any insurance company which was not
4 subject to this tax prior to 1971 shall be taxed at the rate of
5 one per cent for the year 1971 and thereafter at the rate of two
6 per cent.

7 (b) Disposition of Taxes.--[The]

8 (1) Subject to the provisions of paragraph (2), the taxes
9 paid by foreign fire insurance companies under this act shall
10 continue to be distributed and used for firemen's relief pension
11 or retirement purposes, as provided by section two of the act,
12 approved the twenty-eighth day of June, one thousand eight
13 hundred ninety-five (Pamphlet Laws 408), as amended; and the
14 taxes paid by foreign casualty insurance companies under this
15 act shall continue to be distributed and used for police
16 pension, retirement or disability purposes as provided by the
17 act, approved the twelfth day of May, one thousand nine hundred
18 forty-three (Pamphlet Laws 259), as amended.

19 (2) (i) Twenty per cent of the taxes paid by foreign fire
20 insurance companies under this act shall be provided to the
21 Pennsylvania Employee Benefit Trust Fund for the purposes of
22 enrolling eligible volunteer firefighters. Volunteer
23 firefighters shall be considered State employees in terms of
24 health care benefits comparable to employees of Commonwealth
25 agencies under the jurisdiction of the Governor.

26 (ii) An eligible volunteer firefighter shall apply for
27 certification as a fire inspector by the Office of State Fire
28 Commissioner within one year of becoming a volunteer
29 firefighter. Persons who are certified volunteer firefighters on
30 the effective date of this paragraph shall maintain their

certification. The Office of State Fire Commissioner shall
verify on an annual basis that all eligible volunteer
firefighters are active members of their local fire companies
with any additional criteria deemed necessary for verification.

(iii) A volunteer firefighter shall pay a portion of the
premium of the benefits provided through the Pennsylvania
Employee Benefit Trust Fund as follows:

(A) In the first five years a volunteer firefighter is an
active member of the volunteer firefighter's local fire company,
the volunteer firefighter must pay for 75% of the cost of the
health care benefit premium.

(B) After serving for at least five years but serving less
than ten years, the volunteer firefighters must pay for 50% of
the cost of the health care benefit premium.

(C) After serving ten years, the volunteer firefighter shall
not be required to pay for any of the cost of the health care
benefit premium.

(iv) The benefits provided to a volunteer firefighter shall
not be extended to the family members or dependents of the
volunteer firefighter.

(3) The Pennsylvania Emergency Management Agency shall
promulgate rules and regulations for the enrollment of volunteer
firefighters into the Pennsylvania Employee Benefit Trust Fund.

(c) Other Taxes.--All other taxes received under this act
shall be credited to the General Fund for general revenue
purposes.

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