

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 AND STOUT, MARCH 20, 2008

REFERRED TO FINANCE, MARCH 20, 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 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

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:

ARTICLE XVIII-C

VOLUNTEER FIREFIGHTER AND EMERGENCY MEDICAL

SERVICES WORKER EMPLOYER TAX CREDIT

21 Section 1801-C. Definitions.

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

4 "Active volunteer." A volunteer firefighter or volunteer
5 emergency medical services worker.

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

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

10 "Director." The director of the Emergency Medical Services
11 Office in the Department of Health.

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

13 "Tax credit." The tax credit available to employers of
14 volunteer firefighters or volunteer emergency medical services
15 workers under this article.

16 "Taxpayer." An individual subject to payment of taxes under
17 Article III, IV or VI.

18 "Volunteer emergency medical services worker." A person
19 certified as an active volunteer emergency medical services
20 provider by the director of the Emergency Medical Services
21 Office of the Department of Health.

22 "Volunteer fire company." A nonprofit chartered corporation,
23 association or organization located in this Commonwealth that
24 provides fire protection services and may offer other volunteer
25 services within this Commonwealth. Voluntary emergency services
26 provided by a volunteer fire company may include voluntary
27 ambulance and voluntary rescue services.

28 "Volunteer firefighter." The term shall have the same
29 meaning given to it under section 2 of the act of June 11, 1968
30 (P.L.149, No.84), known as the Volunteer Firefighters' Relief

1 Association Act. The term includes fire police.

2 Section 1802-C. Credit for employment.

3 (a) Credit available.--A taxpayer is eligible for a tax
4 credit as provided in subsection (b) against the tax imposed
5 under Article III, IV or VI, but shall not include any tax
6 withheld by an employer from an employee under Article III if:

7 (1) the taxpayer hires an employee who is an active
8 volunteer; or

9 (2) the taxpayer has an employee who becomes an active
10 volunteer during the calendar year.

11 (b) Maximum credit.--A taxpayer may claim a tax credit for
12 each full-time employee who qualifies under subsection (a) as
13 follows:

14 (1) The taxpayer may claim a full \$1,000 tax credit for
15 all employees who qualify under subsection (a). This credit
16 may be claimed only once with respect to each qualified
17 employee and may not be claimed if the qualified employee has
18 been claimed by a previous employer.

19 (2) If the employee is not qualified for the entire tax
20 year, the amount of tax credit shall be prorated and the
21 credit amount shall equal \$1,000, divided by 12, multiplied
22 by the number of months in the tax year the employee was
23 employed by the taxpayer. The credit shall be rounded to the
24 nearest \$5. If the taxpayer is an active volunteer during any
25 part of a month, the taxpayer shall be considered an active
26 volunteer for the entire month. If the taxpayer is a
27 volunteer firefighter and a volunteer emergency medical
28 services worker during the same month, a credit may be
29 claimed for only one active volunteer position for that
30 month. This credit may be claimed only once with respect to

1 each qualified employee and may not be claimed if the
2 qualified employee has been claimed by a previous employer.

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

5 (c) Claim period.--Claims for a tax credit must be filed for
6 the first taxable year for which the taxpayer was eligible for
7 the tax credit. Failure to comply with this subsection shall
8 constitute a waiver of the credit.

9 Section 1803-C. Carryover and carryback of credit.

10 (a) General rule.--If the taxpayer cannot use the entire
11 amount of the tax credit for the first taxable year in which the
12 taxpayer is eligible for the credit, then the excess may be
13 carried over to succeeding taxable years and used as a credit
14 against the qualified tax liability of the taxpayer for those
15 taxable years. Each time that the tax credit is carried over to
16 a succeeding taxable year, it shall be reduced by the amount
17 that was used as a credit during the immediately preceding
18 taxable year. The tax credit provided by this article may be
19 carried over and applied to succeeding taxable years for no more
20 than three taxable years following the first taxable year for
21 which the taxpayer was entitled to claim the credit.

22 (b) No carryback.--A taxpayer is not entitled to carry back
23 or obtain a refund of an unused tax credit.

24 Section 1804-C. Total amount of credits.

25 The total amount of tax credits authorized by this article
26 shall not exceed \$5,000,000 in each fiscal year. If the credits
27 exceed the \$5,000,000 cap in a given year, the credits will be
28 allocated on a pro rata basis.

29 Section 1805-C. Active volunteer point system.

30 (a) Duty to develop and implement.--The commissioner and the

1 director shall jointly develop and implement an active volunteer
2 point system establishing the annual requirements for
3 designating firefighters and emergency medical services workers,
4 respectively, as active volunteers.

5 (b) Factors to be considered.--To determine whether a
6 firefighter or emergency medical services worker is active, the
7 point system shall consider the following factors:

8 (1) The number of emergency calls responded to.

9 (2) The volunteer's level of training and participation
10 in formal training and drills.

11 (3) Time spent on administration and support activities,
12 including fundraising and maintenance of facilities and
13 equipment.

14 (4) Involvement in other projects that directly benefit
15 the department's financial viability, emergency response or
16 operational readiness.

17 Section 1806-C. Credit verification.

18 (a) Volunteer fire company duty to report.--Within ten
19 business days of the end of each calendar year, the chief of
20 each volunteer fire company shall submit a report to the
21 commissioner with the name and address of each volunteer
22 firefighter who qualified for the tax credit for the previous
23 calendar year in the format specified by the secretary.

24 (b) Volunteer emergency medical services and ambulance
25 department duty to report.--Within ten business days of the end
26 of each calendar year, the chief of each volunteer emergency
27 medical services or ambulance department shall submit a report
28 to the director. The report shall include the name and address
29 of each volunteer emergency medical services worker who
30 qualified for the tax credit for the previous calendar year in

1 the format required by the secretary.

2 Section 1807-C. Active volunteer certification.

3 (a) General rule.--On or before January 31 of each year, the
4 commissioner and the director shall certify each volunteer
5 firefighter or volunteer emergency medical services worker
6 reported under section 1806-C as having met the requirements for
7 designation as an active volunteer.

8 (b) Procedures.--The commissioner and the director, in
9 cooperation with the secretary, shall jointly develop procedures
10 for documenting volunteer certification for tax credit purposes.

11 Section 1808-C. Regulations.

12 The department shall prepare any forms that may be necessary
13 to claim a tax credit, may require proof of the claim for tax
14 credit and may adopt rules and regulations to administer the
15 credit.

16 Section 2. This act shall apply to all taxable years
17 beginning on or after January 1, 2009.

18 Section 3. This act shall take effect immediately.