AN ACT

Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," authorizing a tax credit for a member of a volunteer emergency service organization who purchases fire equipment with personal income.

The General Assembly finds and declares as follows:

(1) It is estimated that more than 90% of Pennsylvania's emergency service organizations are volunteer organizations.

(2) Volunteer emergency service organizations are estimated to save Pennsylvania taxpayers as much as $6,000,000 per year.

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

(4) The potential public safety crisis that looms as a result of the continuing decline and shortage of active volunteer emergency responders necessitates the Commonwealth's active involvement, in partnership with our local communities, in providing volunteer emergency responder retention incentives.

(5) An income tax credit for active volunteer emergency responders that purchase their own fire equipment would provide a small financial token of appreciation for the invaluable service these dedicated men and women provide.

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

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

ARTICLE XVIII-H

VOLUNTEER EMERGENCY RESPONDER EQUIPMENT TAX CREDIT

Section 1801-H. Scope of article.
This article relates to volunteer emergency responder equipment tax credits.

Section 1802-H. Definitions.
The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Emergency service organization." A nonprofit chartered fire company, volunteer ambulance service or volunteer rescue squad located in this Commonwealth.
"Equipment." Acceptable equipment, including helmets, jackets, protection gear, boots and fire suits.

Section 1803-H. Tax credit.

A volunteer emergency responder who purchase equipment with the volunteer emergency responder's personal income may claim a tax credit of up to $500 from tax imposed under Article III. If the volunteer emergency responder's total State income tax liability is less than $500, the credit shall equal the remaining tax liability.

Section 1804-H. Proof of eligibility.

A volunteer emergency responder who claims a tax credit under section 1803-H must provide to the Department of Revenue, at the time the credit is claimed, documentation that the volunteer emergency responder is an active volunteer of an emergency service organization and documentation of the type of equipment purchased and purchase price. The Department of Revenue shall establish guidelines which provide for acceptable forms of documentation.

Section 1805-H. Limitation.

A tax credit claimed by a volunteer emergency responder under section 1803-H may only be for purchases made during the taxable year in which the credit is being claimed.

Section 2. This act shall take effect immediately.