

**REVENUE DEPARTMENT[701]**

**Adopted and Filed**

**Rule making related to tax credit for volunteer fire fighters, volunteer emergency medical services personnel, and reserve peace officers**

The Revenue Department hereby amends Chapter 42, “Adjustments to Computed Tax and Tax Credits,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code section 422.68.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code section 422.12 and 2021 Iowa Acts, Senate File 619, sections 73, 74, and 75.

*Purpose and Summary*

This rule making is intended to implement statutory changes to the tax credit amount for volunteer fire fighters, volunteer emergency medical services personnel, and reserve peace officers. 2021 Iowa Acts, Senate File 619, division XXIII, increased the amount of the credit from \$100 per year to \$250 per year for tax years beginning on or after January 1, 2021.

*Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on October 20, 2021, as **ARC 5987C**. No public comments were received. One change from the Notice has been made. A reference to 2014 Iowa Acts, House File 2459, and a reference to 2021 Iowa Acts, Senate File 619, have been removed because the legislation has been codified in Iowa Code chapter 422.

*Adoption of Rule Making*

This rule making was adopted by the Department on November 24, 2021.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa beyond that of the legislation it is intended to implement.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s

meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rule making will become effective on April 13, 2022.

The following rule-making action is adopted:

Amend rule 701—42.49(422) as follows:

**701—42.49(422) Volunteer fire fighter, volunteer emergency medical services personnel member, and reserve peace officer tax credit.** ~~Effective for tax years beginning on or after January 1, 2013, a tax credit is available for individual income tax for volunteer fire fighters and volunteer emergency medical services (EMS) personnel.~~ Effective for tax years beginning on or after January 1, 2014, a tax credit is available for individual income tax for volunteer fire fighters, volunteer emergency medical services (EMS) personnel members, and reserve peace officers.

**42.49(1) Definitions.** The following definitions are applicable to this rule:

*“Emergency medical services personnel member”* or *“EMS personnel member”* means an emergency medical care provider, as defined in Iowa Code section 147A.1, who is certified as a first responder in accordance with Iowa Code chapter 147A. For tax years beginning on or after January 1, 2014, *“emergency medical services personnel member”* or *“EMS personnel member”* also includes an individual who is a paid employee of an emergency medical services program and who is also a volunteer emergency medical services personnel member in a city, county, or area governed by an agreement pursuant to Iowa Code chapter 28E.

*“Reserve peace officer”* means a reserve peace officer as defined in Iowa Code section 80D.1A who has met the minimum state training standards established by the Iowa law enforcement academy in accordance with Iowa Code chapter 80D.

*“Volunteer fire fighter”* means a volunteer fire fighter, as defined in Iowa Code section 85.61, who has met the minimum training standards established by the fire service training bureau pursuant to Iowa Code chapter 100B. For tax years beginning on or after January 1, 2014, *“volunteer fire fighter”* means an individual who is an active member of an organized volunteer fire department in Iowa or is performing services as a volunteer fire fighter for a municipality, township, or benefited fire district at the request of the chief or other person in command and who has met the minimum training standards established by the fire service training bureau pursuant to Iowa Code chapter 100B. For tax years beginning on or after January 1, 2014, a volunteer fire fighter also includes an individual who is a paid employee of a fire department and who is also a volunteer fire fighter in a city, county, or area governed by an agreement pursuant to Iowa Code chapter 28E.

**42.49(2) Calculation of the credit.**

*a.* ~~The credit is equal to \$50 for the tax year beginning January 1, 2013, if the volunteer fire fighter or volunteer EMS personnel was a volunteer for the entire year. The credit is equal to \$100 for tax years beginning on or after January 1, 2014, if the volunteer fire fighter, volunteer EMS personnel or reserve peace officer was a volunteer for the entire year.~~ \$250 for tax years beginning on or after January 1, 2021, if the volunteer fire fighter, volunteer EMS personnel member, or reserve peace officer was a volunteer for the entire year. The credit is equal to \$50 for tax year 2013 and \$100 for tax years 2014 through 2020.

*b.* ~~If the individual was not a volunteer fire fighter or volunteer EMS personnel for the entire 2013 calendar year, the \$50 credit is prorated based on the number of months the individual was a volunteer. Beginning in the 2014 calendar year, if the individual was not a volunteer fire fighter, volunteer EMS personnel or reserve peace officer for the entire year, the \$100 credit is prorated based on the number of months the individual was a volunteer.~~ fire fighter, volunteer EMS personnel member, or reserve peace officer for the entire calendar year, the credit is prorated based on the number of months the individual was a volunteer. If the individual was a volunteer during any part of a month, the individual will be considered a volunteer for the entire month. The amount of credit will be rounded to the nearest dollar.

EXAMPLE: An individual became a volunteer fire fighter on April 15, ~~2013~~ 2021, and remained a volunteer for the rest of calendar year ~~2013~~ 2021. The individual is considered a volunteer for nine months of ~~2013~~ 2021. The tax credit for ~~2013~~ 2021 is equal to ~~\$38~~ \$188 (~~\$50~~ \$250 multiplied by 9/12 equals ~~\$37.50~~ \$187.50; rounding to the nearest dollar results in a ~~\$38~~ \$188 credit).

c. If an individual is ~~both~~ holds more than one volunteer position as a volunteer fire fighter, ~~and~~ a volunteer EMS personnel member, or a reserve peace officer during the same month, a credit can be claimed for only one volunteer position for that month. ~~Therefore~~ For example, if an individual was both a volunteer fire fighter and volunteer EMS personnel member for all of ~~2013~~ calendar year 2021, the tax credit will equal ~~\$50~~ \$250. ~~In addition, beginning in calendar year 2014, if a reserve peace officer is also either a volunteer fire fighter or a volunteer EMS personnel, a credit can be claimed for only one volunteer position for that month.~~

**42.49(3) Verification of eligibility for the tax credit.** An individual is required to have a written statement from the fire chief or other appropriate supervisor verifying that the individual was a volunteer fire fighter or volunteer EMS personnel member for the months for which the tax credit is being claimed. ~~Beginning with the 2014 tax year, an~~ An individual who is a reserve peace officer must have a written statement from the chief of police, sheriff, commissioner of public safety, or other appropriate supervisor verifying that the individual was a reserve peace officer for the months for which the tax credit is being claimed. The written statement does not have to be attached to a tax return claiming the credit. However, the individual department ~~may be requested to~~ request that the individual provide the written statement ~~upon request by the department.~~

This rule is intended to implement Iowa Code section 422.12 as amended by 2014 Iowa Acts, House File 2459.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 3/9/22.