

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 236 - Volunteer Fire Fighter Tax Credit (LSB 2263 HH)
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Fiscal Note Version - New
Requested by Representative Steven Lukan

Description

House File 236 creates a \$500 annual income tax credit for volunteer firefighters and emergency medical services personnel. The credit is not refundable, but is retroactive to January 1, 2005.

Assumptions

1. There are approximately 844 fire/EMS departments in Iowa.
2. The average number of firefighter/EMS personnel per department is 20.
3. Sixty-five percent of firefighter/EMS personnel are volunteers.
4. In a given year, 75.0% of volunteers would qualify for the full credit, and 25.0% would qualify for partial credit, averaging \$250.
5. Insufficient taxpayer liability will limit the impact to 90.0% of projected costs.
6. Due to the implementation date, there will be no FY 2005 impact.
7. The FY 2006 impact will include all calendar year 2005 credits and 25.0% of calendar year 2006 credits.

Fiscal Impact

The tax credit created in HF 236 will reduce net General Fund revenue by \$5.4 million in FY 2006 and \$4.3 million in FY 2007 and subsequent fiscal years.

Sources

Department of Revenue
Fire Service Training Bureau
Bureau of Emergency Medical Services

/s/ Holly M. Lyons

March 22, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
