

Fiscal Services Division
Legislative Services Agency
Fiscal Note

SF 12 – Emergency Service Provider Tax Credit (LSB 1031 SS)
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Fiscal Note Version - New
Requested by Senator Roger Stewart

Description

Senate File 12 creates a \$500 individual income tax credit for volunteer firefighters and volunteer emergency medical services personnel. The tax credit is prorated for individuals holding a position for only part of a year. The credit is not refundable and only one credit is allowed per taxpayer per tax year. The credit may be claimed for tax years beginning on or after January 1, 2007.

Assumptions

- There are approximately 20,000 firefighters in Iowa and 90.0% are volunteers.
- There are 7,000 volunteer certified emergency medical services personnel, with 25.0% also serving as volunteer firefighters.
- The number of volunteers will not change in future years.
- Eighty-five percent of projected credits will be utilized, due to some volunteers having less than \$500 in Iowa income tax liability.
- The credit will first reduce net General Fund revenue during the spring, 2008 tax return season (FY 2008).

Fiscal Impact

The volunteer firefighter and emergency medical services personnel income tax credit contained in SF 12 is projected to reduce net General Fund revenue by \$9.9 million in FY 2008 and future fiscal years.

The local option income surtax for schools is based on a taxpayer's State liability, if the taxpayer lives in a school district utilizing the surtax. Statewide, the surtax equals 3.08% of net Iowa income tax collections. Therefore, the tax credit contained in SF 12 is projected to reduce local option income surtax revenue by \$304,000 per year in FY 2008 and future fiscal years.

Sources

Department of Revenue
Department of Public Health
Iowa Fire Service Training Bureau

/s/ Holly M. Lyons

February 26, 2007

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.
