

House Study Bill 165 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
PUBLIC SAFETY BILL BY
CHAIRPERSON BAUDLER)

A BILL FOR

1 An Act establishing a length of service award program for
2 volunteer fire fighters, concerning income tax deductions
3 for volunteer fire fighters, making appropriations, and
4 including effective date provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 100B.2, Code 2017, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 9. Establish a length of service
4 award program for volunteer fire fighters pursuant to the
5 requirements of section 100B.41.

6 Sec. 2. NEW SECTION. 100B.41 **Length of service award**
7 **program.**

8 1. The state fire service and emergency response council, in
9 consultation with the department of administrative services,
10 shall establish a length of service award program for volunteer
11 fire fighters as defined in section 85.61. The program shall
12 provide length of service awards, as described in section
13 457(e)(11) of the Internal Revenue Code, to volunteer fire
14 fighters of a fire department of a municipality, township,
15 or benefited fire district that elects to participate in
16 the program. The program shall be designed as a defined
17 contribution pension plan, consistent, to the extent possible,
18 with the requirements of section 509A.12, requiring mandatory
19 employer contributions from a participating municipality,
20 township, or benefited fire district. The program shall be
21 designed to treat awards from the program as a tax-deferred
22 benefit under the Internal Revenue Code. The council shall
23 develop and submit to the state fire marshal for adoption rules
24 providing for minimum contribution requirements, eligibility
25 requirements for participation by volunteer fire fighters,
26 minimum vesting requirements, and such other rules as deemed
27 necessary to operate the program.

28 2. The council shall provide a state match for all
29 annual contributions paid for volunteer fire fighters by
30 a participating municipality, township, or benefited fire
31 district up to a maximum of one hundred dollars per fiscal year
32 per volunteer fire fighter. There is appropriated annually
33 from the general fund of the state to the council an amount
34 sufficient to provide the state match as provided in this
35 subsection.

1 Sec. 3. Section 422.12, subsection 1, paragraph f, Code
2 2017, is amended by striking the paragraph.

3 Sec. 4. Section 422.12, subsection 2, paragraph c, Code
4 2017, is amended to read as follows:

5 c. (1) A ~~volunteer fire fighter~~ and volunteer emergency
6 medical services personnel member credit equal to one hundred
7 dollars to compensate the taxpayer for the voluntary services
8 if the volunteer served for the entire tax year. A taxpayer
9 who is a paid employee of an emergency medical services program
10 ~~or a fire department~~ and who is also a volunteer emergency
11 medical services personnel member ~~or volunteer fire fighter~~ in
12 a city, county, or area governed by an agreement pursuant to
13 chapter 28E where the emergency medical services program ~~or~~
14 ~~fire department~~ performs services, shall qualify for the credit
15 provided under this paragraph "c".

16 (2) If the taxpayer is not a ~~volunteer fire fighter~~ or
17 volunteer emergency medical services personnel member for
18 the entire tax year, the maximum amount of the credit shall
19 be prorated and the amount of credit for the taxpayer shall
20 equal the maximum amount of credit for the tax year, divided by
21 twelve, multiplied by the number of months in the tax year the
22 taxpayer was a volunteer. The credit shall be rounded to the
23 nearest dollar. If the taxpayer is a volunteer during any part
24 of a month, the taxpayer shall be considered a volunteer for
25 the entire month. ~~If the taxpayer is a volunteer fire fighter~~
26 ~~and a volunteer emergency medical services personnel member~~
27 ~~during the same month, a credit may be claimed for only one~~
28 ~~volunteer position for that month.~~

29 (3) The taxpayer is required to have a written statement
30 from the ~~fire chief or other~~ appropriate supervisor verifying
31 that the taxpayer was a ~~volunteer fire fighter~~ or volunteer
32 emergency medical services personnel member for the months for
33 which the credit under this paragraph "c" is claimed.

34 Sec. 5. Section 422.12, subsection 2, paragraph d,
35 subparagraph (3), Code 2017, is amended to read as follows:

1 (3) If the taxpayer is a reserve peace officer during
2 the same month as the taxpayer is a ~~volunteer fire fighter~~
3 ~~or~~ volunteer emergency medical services personnel member, as
4 defined in [this section](#), a credit may be claimed for only one
5 position for that month under either paragraph "c" or this
6 paragraph "d".

7 Sec. 6. EFFECTIVE DATE. This Act takes effect January 1,
8 2018.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill requires the state fire service and emergency
13 response council, in consultation with the department of
14 administrative services, to establish a length of service award
15 program for volunteer fire fighters. The program shall be
16 designed as a defined contribution pension plan consistent
17 with the requirements for a deferred compensation program for
18 governmental employees as provided by Code section 509A.12.
19 The program shall provide for a minimum contribution to the
20 plan from a participating municipality, township, or benefited
21 fire district, but participation in the plan by such an entity
22 is optional. The council is also required to develop rules
23 for adoption by the state fire marshal governing minimum
24 contribution requirements, eligibility requirements for
25 participation by volunteer fire fighters, and such other rules
26 as deemed necessary to operate the program. The bill provides
27 for a state match of contributions made up to \$100. The bill
28 provides for an appropriation from the general fund of the
29 state to the council in an amount necessary to provide for the
30 state match.

31 Code section 422.12, concerning deductions from income tax,
32 is amended to eliminate the volunteer fire fighter tax credit
33 equal to \$100 to compensate the volunteer if the volunteer
34 served for the entire tax year.

35 The bill takes effect January 1, 2018.