House Study Bill 228 - Introduced

HOUSE FILE

BY (PROPOSED COMMITTEE ON PUBLIC SAFETY BILL BY CHAIRPERSON KLEIN)

A BILL FOR

An Act establishing a length of service award program for
volunteer fire fighters, concerning income tax deductions
for volunteer fire fighters, making an appropriation, and
including effective date provisions.
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 100B.2, Code 2019, is amended by adding 2 the following new subsection:

3 <u>NEW SUBSECTION</u>. 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. <u>NEW SECTION</u>. 100B.41 Length of service award 7 program — appropriation.

The state fire service and emergency response council, 8 1. 9 in consultation with the department of administrative services 10 and the office of the treasurer of state, shall establish a 11 length of service award program for volunteer fire fighters as 12 defined in section 85.61. The program shall provide length 13 of service awards, as described in section 457(e)(11) of the 14 Internal Revenue Code, to volunteer fire fighters of a fire 15 department of a municipality, township, or benefited fire 16 district that elects to participate in the program. A decision 17 by a volunteer fire fighter to participate in the program is 18 irrevocable upon acceptance by the program and participation 19 in the program shall be in lieu of an election to deduct from 20 computed tax under section 422.12 a volunteer fire fighter 21 credit. The program shall be designed to treat awards from the 22 program as a tax-deferred benefit under the Internal Revenue The council shall develop and submit to the state fire 23 Code. 24 marshal for adoption rules providing for minimum contribution 25 requirements, eligibility requirements for participation by 26 volunteer fire fighters, minimum vesting requirements, and such 27 other rules as deemed necessary to operate the program. There is appropriated from the general fund of the state 28 2.

29 to the state fire service and emergency response council each 30 fiscal year an amount equal to one hundred dollars for each 31 volunteer fire fighter participating in the length of service 32 award program during that fiscal year for purposes of the 33 program.

34 Sec. 3. Section 422.12, subsection 1, paragraph b, Code 35 2019, is amended to read as follows:

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1 b. "Emergency medical services personnel member" means an 2 emergency medical care provider, as defined in section 147A.1, 3 who is certified as a first responder pursuant to chapter 147A 4 and who is not a participant in a length of service award 5 program established pursuant to section 100B.41 during the tax 6 year. 7 Section 422.12, subsection 1, paragraph f, Sec. 4. 8 unnumbered paragraph 1, Code 2019, is amended to read as 9 follows: 10 "Volunteer fire fighter" means an individual that meets both 11 all of the following requirements: 12 Sec. 5. Section 422.12, subsection 1, paragraph f, Code 13 2019, is amended by adding the following new subparagraph: NEW SUBPARAGRAPH. (3) The individual is not a participant 14 15 in a length of service award program established pursuant to 16 section 100B.41 during the tax year. Sec. 6. EFFECTIVE DATE. This Act takes effect January 1, 17 18 2020. 19 EXPLANATION 20 The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly. 21 22 This bill requires the state fire service and emergency 23 response council, in consultation with the department of 24 administrative services and the treasurer of state, to 25 establish a length of service award program for volunteer fire The program shall provide for a minimum contribution 26 fighters. 27 to the plan from a participating municipality, township, or 28 benefited fire district, but participation in the plan by 29 such an entity is optional. A decision by a volunteer fire 30 fighter to participate in the program shall be irrevocable upon 31 acceptance in the program and participation in the program 32 shall be in lieu of the volunteer fire fighter tax credit. The 33 council is also required to develop rules for adoption by the 34 state fire marshal governing minimum contribution requirements,

35 eligibility requirements for participation by volunteer fire

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1 fighters, and such other rules as deemed necessary to operate 2 the program. The bill provides for an appropriation from the 3 general fund to the state fire service and emergency response 4 council of an amount equal to \$100 each fiscal year for each 5 volunteer fire fighter participating in the program.

6 Code section 422.12, concerning deductions from income tax, 7 is amended to eliminate the volunteer fire fighter tax credit 8 equal to \$100 for a volunteer fire fighter or emergency medical 9 services personnel member who is a participant in the length of 10 service award program during the tax year.

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11 The bill takes effect January 1, 2020.