

FEB 9 2005
WAYS AND MEANS

HOUSE FILE 236

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GREINER, HOFFMAN, and
J.R. VAN FOSSEN

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing volunteer fire fighters and emergency medical
2 services personnel with an individual income tax credit and
3 providing effective and retroactive applicability dates.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 236

1 Section 1. Section 422.12, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 2A. a. A volunteer fire fighter and
4 volunteer emergency medical services personnel credit equal to
5 the amount specified in paragraph "b" to compensate the
6 taxpayer for the voluntary services.

7 b. The amount of the credit is equal to five hundred
8 dollars.

9 However, if the taxpayer is not a volunteer fire fighter or
10 volunteer emergency medical services personnel for the entire
11 tax year, the amount of the dollar credit shall be prorated
12 and the amount of credit shall equal the maximum amount of
13 credit for the tax year, divided by twelve, multiplied by the
14 number of months in the tax year the taxpayer was a volunteer.
15 The credit shall be rounded to the nearest five dollars. If
16 the taxpayer is a volunteer during any part of a month, the
17 taxpayer shall be considered a volunteer for the entire month.
18 If the taxpayer is a volunteer fire fighter and a volunteer
19 emergency medical services personnel during the same month, a
20 credit may be claimed for only one volunteer position for that
21 month.

22 c. The taxpayer is required to have a written statement
23 from the fire chief or other appropriate supervisor verifying
24 that the taxpayer was a volunteer fire fighter or volunteer
25 emergency medical services personnel for the months for which
26 the credit under this subsection is claimed.

27 d. For purposes of this subsection:

28 (1) "Emergency medical services personnel" means an
29 emergency medical care provider, as defined in section 147A.1,
30 who is certified as a first responder pursuant to chapter 147A
31 and who has served for at least one year.

32 (2) "Volunteer fire fighter" means a volunteer fire
33 fighter as defined in section 85.61, who is certified as a
34 first responder pursuant to chapter 147A and who has served
35 for at least one year.

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.
