

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 376 Session of 2019

INTRODUCED BY OWLETT, PICKETT, LEWIS, RYAN, PETRARCA, PYLE, READSHAW, STEPHENS, SCHLOSSBERG, KAUFFMAN, ROTHMAN, SNYDER, KULIK, McNEILL, ZIMMERMAN, MACKENZIE, STRUZZI, WARREN, HILL-EVANS, LONGIETTI, SAPPEY, OTTEN, JOZWIAK, BERNSTINE, BOBACK, GABLER, BROWN, IRVIN, OBERLANDER, GOODMAN, MURT, KAUFER, DeLUCA, JONES, KEEFER, CIRESI, HAHN, SIMMONS, FARRY, SAINATO, GILLEN, KIM, MATZIE, ECKER, MALAGARI, DUSH, GAYDOS, POLINCHOCK AND ROWE, FEBRUARY 6, 2019

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 21, 2019

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," authorizing a tax credit for a member of a
11 volunteer emergency service organization who purchases fire
12 equipment with personal income.

13 ~~The General Assembly finds and declares as follows:~~ <--

14 ~~(1) It is estimated that more than 90% of Pennsylvania's~~
15 ~~emergency service organizations are volunteer organizations.~~

16 ~~(2) Volunteer emergency service organizations are~~
17 ~~estimated to save Pennsylvania taxpayers as much as~~
18 ~~\$6,000,000 per year.~~

19 ~~(3) The ranks of Pennsylvania emergency response~~

1 ~~associations have declined by more than half over the past 20~~
2 ~~years, from an estimated 152,000 volunteer firefighters in~~
3 ~~1985 to 70,000 or fewer today.~~

4 ~~(4) The potential public safety crisis that looms as a~~
5 ~~result of the continuing decline and shortage of active~~
6 ~~volunteer emergency responders necessitates the~~
7 ~~Commonwealth's active involvement, in partnership with our~~
8 ~~local communities, in providing volunteer emergency responder~~
9 ~~retention incentives.~~

10 ~~(5) An income tax credit for active volunteer emergency~~
11 ~~responders that purchase their own fire equipment would~~
12 ~~provide a small financial token of appreciation for the~~
13 ~~invaluable service these dedicated men and women provide.~~

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
17 the Tax Reform Code of 1971, is amended by adding an article to
18 read:

19 ARTICLE XVIII-H

20 VOLUNTEER EMERGENCY RESPONDER EQUIPMENT

21 TAX CREDIT

22 Section 1801-H. Scope of article.

23 This article relates to volunteer emergency responder
24 equipment tax credits.

25 Section 1802-H. Definitions.

26 The following words and phrases when used in this article
27 shall have the meanings given to them in this section unless the
28 context clearly indicates otherwise:

29 "Emergency service organization." A nonprofit chartered fire <--
30 company, volunteer ambulance service or volunteer rescue squad

1 ~~located in this Commonwealth.~~

2 ~~"Equipment." Acceptable equipment, including helmets,~~
3 ~~jackets, protection gear, boots and fire suits.~~

4 ~~Section 1803 H. Tax credit.~~

5 ~~A volunteer emergency responder who purchase equipment with~~
6 ~~the volunteer emergency responder's personal income may claim a~~
7 ~~tax credit of up to \$500 from tax imposed under Article III. If~~
8 ~~the volunteer emergency responder's total State income tax~~
9 ~~liability is less than \$500, the credit shall equal the~~
10 ~~remaining tax liability.~~

11 ~~Section 1804 H. Proof of eligibility.~~

12 ~~A volunteer emergency responder who claims a tax credit under~~
13 ~~section 1803 H must provide to the Department of Revenue, at the~~
14 ~~time the credit is claimed, documentation that the volunteer~~
15 ~~emergency responder is an active volunteer of an emergency~~
16 ~~service organization and documentation of the type of equipment~~
17 ~~purchased and purchase price. The Department of Revenue shall~~
18 ~~establish guidelines which provide for acceptable forms of~~
19 ~~documentation.~~

20 ~~Section 1805 H. Limitation.~~

21 ~~A tax credit claimed by a volunteer emergency responder under~~
22 ~~section 1803 H may only be for purchases made during the taxable~~
23 ~~year in which the credit is being claimed.~~

24 ~~Section 2. This act shall take effect immediately.~~

25 ~~"DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH. <--~~

26 ~~"EQUIPMENT." PERSONAL PROPERTY PURCHASED BY A VOLUNTEER~~
27 ~~EMERGENCY RESPONDER IN ORDER TO PERFORM DUTIES AS A MEMBER OF A~~
28 ~~VOLUNTEER EMERGENCY SERVICE ORGANIZATION. THE TERM INCLUDES, BUT~~
29 ~~IS NOT LIMITED TO, HELMETS, JACKETS, PROTECTION GEAR, BOOTS AND~~
30 ~~FIRE SUITS.~~

1 "QUALIFIED PURCHASE." EQUIPMENT PURCHASED BY A TAXPAYER
2 DURING THE TAXABLE YEAR IN WHICH A TAX CREDIT WILL BE CLAIMED.

3 "QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED
4 UNDER ARTICLE III FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
5 2019.

6 "TAX CREDIT." THE VOLUNTEER EMERGENCY RESPONDER EQUIPMENT
7 TAX CREDIT AUTHORIZED UNDER THIS ARTICLE.

8 "TAXPAYER." A VOLUNTEER EMERGENCY RESPONDER CLAIMING A TAX
9 CREDIT UNDER THIS ARTICLE. THE TERM INCLUDES AN INDIVIDUAL OR
10 INDIVIDUALS FILING JOINTLY.

11 "VOLUNTEER EMERGENCY RESPONDER." A MEMBER OF A VOLUNTEER
12 EMERGENCY SERVICE ORGANIZATION.

13 "VOLUNTEER EMERGENCY SERVICE ORGANIZATION." AN ORGANIZATION
14 THAT IS A VOLUNTEER FIRE COMPANY, VOLUNTEER AMBULANCE SERVICE OR
15 VOLUNTEER RESCUE COMPANY AS THOSE TERMS ARE DEFINED IN 35
16 PA.C.S. (RELATING TO HEALTH AND SAFETY).
17 SECTION 1803-H. APPLICATION.

18 (A) APPLICATION TO DEPARTMENT.--A TAXPAYER MAY SUBMIT AN
19 APPLICATION FOR A TAX CREDIT IN A FORM AND MANNER PRESCRIBED BY
20 THE DEPARTMENT. THE APPLICATION SHALL CONTAIN THE FOLLOWING
21 INFORMATION:

22 (1) THE NAME AND LOCATION OF THE VOLUNTEER EMERGENCY
23 SERVICE ORGANIZATION OF WHICH THE TAXPAYER IS A VOLUNTEER
24 EMERGENCY RESPONDER.

25 (2) A CERTIFICATION FOR THE APPLICANT DESCRIBED IN
26 SECTION 1805-H.

27 (3) AN ITEMIZED LIST OF EQUIPMENT PURCHASED, INCLUDING
28 PRICE AND DATE OF PURCHASE.

29 (4) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

30 (B) PROCEDURE.--THE APPLICATION SHALL BE ATTACHED TO THE

1 APPLICANT'S ANNUAL TAX RETURN REQUIRED TO BE FILED UNDER ARTICLE
2 III.

3 SECTION 1804-H. TAX CREDIT.

4 (A) GENERAL RULE.--A TAXPAYER MAY CLAIM A TAX CREDIT AGAINST
5 THE TAXPAYER'S QUALIFIED TAX LIABILITY INCURRED IN THE TAXABLE
6 YEAR FOR WHICH THE TAX CREDIT WAS APPROVED.

7 (B) JOINT RETURN.--A TAX CREDIT GRANTED UNDER THIS ARTICLE
8 MAY BE APPLIED TO THE SPOUSE OF AN ELIGIBLE APPLICANT IF BOTH
9 THE ELIGIBLE APPLICANT AND THE SPOUSE REPORT INCOME ON A JOINT
10 INCOME TAX RETURN.

11 (C) MAXIMUM CREDIT.--

12 (1) A TAXPAYER WHO QUALIFIES UNDER SUBSECTION (A) MAY
13 CLAIM A TAX CREDIT UP TO THE AMOUNT OF QUALIFIED PURCHASES
14 MADE BUT THE CREDIT SHALL NOT EXCEED \$500 IN A SINGLE TAXABLE
15 YEAR.

16 (2) THE DEPARTMENT MAY NOT AWARD MORE THAN \$10,000,000
17 IN TAX CREDITS IN A SINGLE TAXABLE YEAR.

18 (3) IF THE TOTAL AMOUNT OF ELIGIBLE TAX CREDITS CLAIMED
19 UNDER THIS ARTICLE IN A TAXABLE YEAR EXCEEDS \$10,000,000, THE
20 DEPARTMENT SHALL EQUALLY DIVIDE THE AMOUNT OF THE TAX CREDIT
21 PER APPLICANT.

22 SECTION 1805-H. CERTIFICATION.

23 PRIOR TO SUBMITTING AN APPLICATION TO THE DEPARTMENT UNDER
24 THIS ARTICLE:

25 (1) THE TAXPAYER MUST SIGN AND SUBMIT THE APPLICATION TO
26 THE CHIEF OR SUPERVISOR OF THE VOLUNTEER EMERGENCY SERVICE
27 ORGANIZATION WHERE THE TAXPAYER SERVES.

28 (2) THE CHIEF OR SUPERVISOR AND ANOTHER OFFICER OF THE
29 VOLUNTEER EMERGENCY SERVICE ORGANIZATION MUST SIGN THE
30 APPLICATION ATTESTING TO THE INDIVIDUAL'S STATUS AS A

1 VOLUNTEER WITH THAT SPECIFIC ORGANIZATION.

2 SECTION 1806-H. CARRYOVER, CARRYBACK AND REFUND.

3 A TAX CREDIT MAY NOT BE CARRIED BACK, CARRIED FORWARD OR USED
4 TO OBTAIN A REFUND.

5 SECTION 1807-H. GUIDELINES.

6 THE DEPARTMENT SHALL ADOPT GUIDELINES AND REGULATIONS AS
7 NECESSARY TO ADMINISTER THIS ARTICLE.

8 SECTION 2. THIS ACT SHALL APPLY TO TAX YEARS BEGINNING AFTER
9 DECEMBER 31, 2019.

10 SECTION 3. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.