

Legislative UPDATE

SUPPORTING OUR VOLUNTEERS

From Senator John Pippy

AUGUST 2008



New State Budget Provides New Tax Credit for Volunteers

Volunteer firefighters and emergency service providers will receive a \$100 personal income tax credit for active service under a provision that was included in the recently passed state budget.

Under the measure, \$4.5 million in tax credits will be available this year to volunteers. This tax credit will have a relatively modest impact on the state budget, but it could go a long way toward attracting and keeping dedicated volunteers who we rely on to keep our communities safe.

The measure also provides a system for certifying volunteers to ensure that credits are awarded fairly. This is the first step in an effort to provide tax credits to volunteers and those who employ them (see next page for more information).

Dear Friend,

Pennsylvania is home to the first volunteer fire company in the nation. The Union Fire Company, which was started by Ben Franklin, was in operation from 1736 to 1871 and was the predecessor to the Philadelphia Fire Department.

Today, Pennsylvania is home to nearly 2,500 volunteer fire companies – more than any other state in the nation.

Pennsylvania's volunteer firefighters and emergency workers protect our homes and businesses, risking their lives every time they answer the call. They also save taxpayers billions of dollars by volunteering their services to the community.

It is estimated that services contributed by volunteer firefighters save communities across the state \$6 billion per year.

But despite all they do, and the strong support they receive in their communities, volunteer companies are facing tough challenges – the rising cost of equipment and fuel, the personal demands on volunteers, the hours spent fund-raising, and difficulty in recruiting new members.

The number of volunteer firefighters has declined dramatically in recent years. This should be a major concern to all of us.

I have worked hard in the Senate to ensure that our volunteer responders have the funding and resources they need to do their jobs safely and effectively. And I am pleased to report that the Legislature has passed important legislation to help our volunteers – including a personal tax credit as part of this year's budget. This mailer highlights some of those initiatives.

As the birthplace of volunteer fire service in North America, Pennsylvania has a special obligation to support our volunteer firefighters and emergency services. I am very proud of the work you do to keep our communities safe, and I will continue to work in the Senate to support your efforts. Please contact me if you have any questions or comments.

Sincerely,

A handwritten signature in blue ink that reads "John Pippy".

Senator John Pippy



SR 60 Commission Seeks to Improve PA's Fire and EMS Services

In 2003, a bi-partisan commission of legislators, emergency responders, and representatives from Pennsylvania's cities, boroughs, and townships reviewed the needs of Pennsylvania's fire and emergency medical services communities.

The SR 60 Commission Report outlined 23 recommendations to improve Pennsylvania's fire and emergency medical services through changes to statutory language, reforming the delivery of services, offering tax credits to fire and EMS workers, and establishing grant programs.

The tax credit package approved by the Senate in June is part of the Senate's larger SR 60 agenda. Other legislation passed this session includes:

Senate Bill 1225, which would create a statewide mutual aid agreement system to assist counties and municipalities in responding to disasters.

Senate Bill 987 and **House Bills 1131, 1133, and 1134**, which establish uniform language in the municipal codes regarding the provision of fire and emergency services. These have all been signed into law.

Senate Bill 218, which reformed the Emergency and Municipal Services Tax. Now Act 7 of 2007, this law renamed the tax as the "Local Services Tax" and required municipalities which impose it to allocate a minimum of 25 percent of the total revenue to support emergency services.

Legislature Reauthorizes Fire, EMS Grant

Last June, the Legislature approved Act 10, which extended a popular \$25 million fire/EMS grant program through 2012.

Since 2000, the General Assembly has regularly appropriated \$25 million to the Pennsylvania Emergency Management Agency (PEMA) to provide grants to volunteer fire and EMS departments. However, this program was not guaranteed and had lapsed in the past.

The five-year authorization sets in place a mechanism for reliable funding that local volunteer fire departments and ambulance services can rely on.

The program provides volunteer fire companies with grants of up to \$15,000 and volunteer ambulance and rescue services with grants of up to \$10,000 for construction and renovation of buildings; the purchase or repair of equipment; and debt reduction.

Senate Approves Bill to Encourage Regional Fire Company Partnerships

Legislation to encourage regionalization and partnership efforts among volunteer fire departments has been approved by the Senate and is awaiting House action.

Senate Bill 96 would take advantage of money already in place as part of a \$100 million bond issue approved by voters in 2002 to encourage volun-

teer fire departments to work together in a cooperative and regional way. Senate Bill 96 would not mandate cooperation, but rather provides financial incentives for departments to be forward thinking – to look for ways to improve their response to emergencies and their capabilities once they arrive on the scene.

Package Would Provide Expanded Tax Credits

The Senate recently passed legislation which would provide nearly \$23 million in tax credits and tuition reimbursements by fiscal year 2009-2010 to Pennsylvania's emergency first responders.

Tax credits have consistently ranked as the number one legislative priority of the fire and EMS community. The Senate-approved bills include:

Senate Bill 1314 would establish a \$500 personal tax credit for active members of volunteer firefighting and

emergency medical service organizations.

Senate Bill 1315 would create an undergraduate tuition reimbursement program for active firefighting and EMS volunteers with a 50 percent reimbursement for each course credit.

Senate Bill 1316 would establish a \$1,000 tax credit against an employer's personal income tax, corporate net income tax, or capital stock and franchise tax for each member of the volunteer fire and/or emergency services employed full-time, up to but not to exceed \$5000 per employer during a specific tax year.

Senate Bill 1169 would authorize any municipality that levies an earned income tax to establish a local tax credit for volunteer emergency responders. The credit could be up to \$400.



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