

Tax Credits Now Available to Emergency Service Volunteers

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On November 21, 2016, Governor Tom Wolf signed into law HB1683 (Act 172 of 2016), which authorizes municipalities to grant fire and emergency medical service (EMS) volunteers tax credits for local taxes. The new law takes effect on January 20, 2017, and will be added as a new chapter to the Disaster Emergency Assistance Act, 35 Pa. C.S. § 7901 *et seq.*

Under Act 172, the municipality can decide the amount of credit available for a volunteer's local earned income tax, but the amount of real property tax credit cannot exceed 20% of the volunteer's tax liability.

Only volunteers who apply and qualify for the Volunteer Service Credit Program (the "Program") are eligible for tax credits. To be eligible for the Program, a volunteer must submit an application for certification to the chief of the volunteer fire company or the supervisor or chief of the nonprofit emergency medical services agency where the volunteer serves.

Act 172 provides a list of activities that fire and EMS chiefs and supervisors must refer to when determining if the volunteer is eligible to participate in the Program. Fire and EMS chiefs and supervisors must sign-off on volunteers who meet the requirements of the Program and submit a notarized list of eligible volunteers to the governing body of the municipality no later than 45 days before tax notices are distributed.

This Program is not mandatory. Each municipality can decide whether to implement the Program in their community.

Municipalities that desire to implement a Volunteer Service Credit Program should consult with their Solicitor to draft an ordinance to establish such a Program. In addition, the ordinance should include an appeal process for volunteers who may be denied participation. Municipalities should consult their Solicitor to draft guidelines, forms, and an application process for the Program.

For additional information contact Daniel Conlon or Irv Firman, or any of our Municipal Lawyers.