

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1399

Bill Subtitle: TO CREATE THE VOLUNTEER FIREFIGHTER TAX PROTECTION ACT.

Basic Change :

Representative Farrer

Bill provides for an itemized deduction for the unreimbursed amount paid by a volunteer firefighter for firefighting equipment required by the fire department or firefighting unit and the loss of value of personal property that is damaged or destroyed in the course of fire suppression, rescue, pump operation or other firefighting activity. The deduction shall not exceed one thousand dollars (\$1,000).

Volunteer firefighter means a member of a fire department or firefighting unit who actively engages in fire suppression, rescue, pump operation or other firefighting activity and receives less than five thousand dollars (\$5,000) per year in total compensation from fire department or firefighting unit he or she serves. Effective for tax years beginning on or after January 1, 2013.

Revenue Impact :

FY 2014 - \$48,702 loss

FY 2015 - \$48,702 loss

Taxpayer Impact :

Taxpayer would need to document the purchase of the firefighting equipment and that he or she was not reimbursed for the purchase. Taxpayer would also need to document the cost of the damaged or destroyed personal property and that the property was damaged or destroyed during firefighting or rescue activities.

Resources Required :

Computer program and forms updated

Time Required :

Adequate time is provided.

Procedural Changes :

Computer programs, tax forms and instructions, return processing and training procedures would need to be modified.

Other Comments :

None

Legal Analysis :

The Department of Finance and Administration is instructed to promulgate regulations for enforcement of the bill. The act is effective for tax years beginning January 1, 2013.