

## ***The Issue***

Despite a steady increase in the number of emergency calls, the ranks of volunteer firefighters across the country steadily decreased between 1983 and 2002. To reverse this trend, Congress must do more to help fire departments reverse the damage done by almost 20 years of decline in the numbers of volunteers.

To help recruit and retain volunteer emergency responders, several states, including Connecticut, passed laws allowing their towns to provide property tax rebates to residents who volunteer their services as emergency responders in their community.

However, the IRS ruled that these incentives are considered income and therefore subject to federal taxation.

This ruling clearly undermines the purpose of providing incentives for individuals to volunteer their time to help keep their communities safe. It also places an enormous economic burden on localities and the volunteers these rebates are meant to help. As a result, some towns have been forced to repeal their programs altogether because it was simply impossible to reconcile the program within existing federal tax law.

## ***The Solution***

After learning about this problem, I immediately held a forum in the district to meet with community leaders and volunteer emergency responders to solicit ideas and input about how to best address this problem. From these sessions, I drafted federal legislation that would clarify the tax status of incentives for volunteer emergency responders.

In April 2003, I introduced [HR 1859](#) to change federal tax law to exempt property tax abatements or other incentives offered by local governments to volunteer emergency responders from income and wage withholdings.

In 109th Congress, I re-introduced this bill as the Volunteer Responder Incentive Protection Act ([HR 1405](#)) and have introduced it again in the 110th Congress ([HR 943](#)). I will continue to work with my colleagues in Congress to protect the modest - yet vital - incentives our volunteer firefighters and medical personnel receive for their service to our communities. The Volunteer Responder Incentive Protection Act was included in

[HR 3997](#)

, the Heroes Earnings Assistance and Relief Tax Act (HEART Act) that passed the House on November 6, 2007 by a vote of 410 - 0. The bill now awaits action in the Senate.

***The Details***

***Legislative Information***

- [Text of HR 943](#)
- [Current Cosponsors of HR 943](#)
- [Current Status of HR 943](#)

***Testimony***

[9/22/04](#) - Congressman Larson's Testimony before the House Ways and Means Subcommittee on Select Revenue Measures

***Correspondence*** □

- [6/24/05](#) - Letter from International Association of Fire Chiefs supporting VRIPA
- [4/20/05](#) - Letter from National Volunteer Fire Council supporting VRIPA
- [3/24/03](#) - Letter of Response from the Department of the Treasury
- [2/12/03](#) - Letter to President Bush urging an administrative stay of the IRS ruling on tax abatements
- [10/2/02](#) - Letter of support from CT Attorney General Richard Blumenthal

***Press Releases***

- 11/01/07 - Firefighter Legislation Passes Committee
- [10/12/07](#) - Larson Fights for Firefighters' Rights
- [2/12/07](#) - Larson Holds Roundtable with Local Volunteer Firefighters as he

Reintroduces Bill to Provide Tax Relief for Volunteer First Responders

- [9/22/04](#) - Larson Will Testify Before Ways and Means Committee on Bill to Protect Tax Relief for Volunteer First Responders
- [4/25/03](#) - Dodd, Lieberman and Larson Call for Protection of Tax Relief for Volunteer First Responders
- [2/13/03](#) - Congressional Delegation Urges Bush to End Taxation of Volunteer Emergency Responder Incentives

▣ **Related Information**

- [10/29/06](#) - Resolution of support offered by International Association of Fire Chiefs, International Association of Arson Investigators, National Volunteer Fire Council
- [IRS Ruling #200227003](#)
- [Public Act 99-272](#) - CT Law regarding tax abatements for volunteer emergency responders
- [6/5/02](#) - Council Cuts Tax Break Plan (Hartford Courant)
- [A Call for Action: The Blue Ribbon Report Preserving and Improving the Future of the Volunteer Fire Service](#)



On February 12, 2007, Congressman Larson met with South Windsor Mayor Matthew Streeter, South Windsor Fire Chief Phil Crombie, and other local volunteer first responders to discuss tax abatements offered by local governments as incentives for recruitment and retention. In 2002, South Windsor officials alerted Larson to the fact that the IRS decided to tax these tax incentives. Larson reintroduced the Volunteer Firefighter's Tax Incentive Protection Act (H.R. 943) on February 8 with 57 cosponsors.