

DODD, LIEBERMAN AND LARSON ANNOUNCE LEGISLATION TO ENCOURAGE TAX RELIEF FOR VOLUNTEER FIREFIGHTERS AND EMERGENCY MEDICAL RESPONDERS

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Measure Would Prevent IRS From Taxing Compensation for Service

NEWINGTON- Senators Chris Dodd, Joseph I. Lieberman and Congressman John B. Larson today announced the introduction of legislation that would prevent the Internal Revenue Service (IRS) from taxing the compensation awarded to local volunteer firefighters and emergency medical responders for service to their communities. The lawmakers have introduced identical measures in both houses of Congress.

"Police officers, firefighters, and emergency service workers are America's front-line defenders in the face of fires, emergencies, terrorist threats, incidents with hazardous materials and other emergencies," said Dodd. "These incentives will help local governments recruit local volunteer firefighters and emergency medical responders in order to ensure their communities are adequately prepared to respond to emergencies."

"Local first responders make up the front lines in our homeland defense and our war on terrorism," Lieberman said. "Just as we're working in Washington to better coordinate federal homeland security resources, we must help local emergency responders ensure the security of Connecticut's towns. This legislation will ease the financial burden on volunteer firefighters and medical personnel which will make it easier for them to continue to their brave and selfless work."

Larson stated: "The importance that volunteer emergency responders hold for communities across Connecticut and throughout the nation is immeasurable. These volunteer firefighters and emergency medical personnel give their time and risk their lives each day to serve and protect our communities, often for little or no compensation. The small tax abatements or benefits that these selfless men and women receive from their towns should remain free from taxation in thanks for their continued service and sacrifice."

Many Connecticut towns offer a property tax abatement made possible through a 1999 state law to volunteer firefighters and emergency medical personnel because of the time and risk their service demands. A recent IRS ruling would reduce incentives to volunteers by treating property tax breaks to volunteers as wages and income. Taxing compensation may cause such benefits to be discontinued and may contribute to a decline in recruitment and retention of volunteer emergency responders in municipalities with volunteer services. The legislation introduced in the Senate by Dodd and Lieberman (S. 3012) and in the House by Larson (H.R. 5416) would exempt the compensation given to local volunteer emergency responders from being taxed as income.

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