

Volunteer Emergency Responders

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.