

DEPARTMENT OF TAXATION

2024 Fiscal Impact Statement

1. **Patron** Mark J. Peake

3. **Committee** Senate Finance and Appropriations

4. **Title** Local Tax Credits for Approved Local
Emergency Services Providers

2. **Bill Number** SB 114

House of Origin:

X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would expand the authority of localities to provide, by ordinance, credits against local taxes and fees to individuals who provide professional or volunteer local law enforcement or first-responder services.

Under current law, localities may only provide credits to volunteer first-responders. Such credits may not be applied against any property taxes or payments in lieu of property taxes but otherwise localities have the discretion to determine which taxes or fees are permissible uses of the credit.

If enacted during the regular session of the 2024 General Assembly, this bill would become effective July 1, 2024.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

8. **Fiscal implications:**

Administrative Costs

This bill could result in unknown administrative costs to localities. This bill would have no impact on state administrative costs.

Revenue Impact

This bill could result in an unknown negative revenue impact to localities. This bill would have no impact on state revenue.

9. **Specific agency or political subdivisions affected:**

All localities.

10. **Technical amendment necessary:** No.

11. Other comments:

Current Law

Any county, city, or town may provide a credit against taxes and fees imposed by the locality to an individual who provides approved volunteer services in the locality. The credit may not be applied against any real or personal property taxes or payments in lieu of property taxes. Localities have the discretion to determine which taxes or fees are permissible uses of the credit and which services qualify for the credit.

“Approved volunteer services” means volunteer firefighting and fire prevention services, emergency medical and ambulance services, auxiliary police services, and emergency rescue services that operate exclusively for the benefit of the general public on behalf of nonprofit organizations or the locality.

The locality must state in the ordinance what services constitute locally approved services. In determining what services qualify, the locality may make such determination by classification or designation of which activities or organizations qualify.

Proposal

This bill would expand the authority of localities to provide credits against local taxes and fees to individuals who provide professional local law enforcement or first-responder services.

If enacted during the regular session of the 2024 General Assembly, this bill would become effective July 1, 2024.

cc: Secretary of Finance

Date: 1/18/2024 JEM
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