



IOWA HOUSE DEMOCRATS

BILL AND AMENDMENT SUMMARY

Fire Fighter/EMT/ Reserve Officer Tax Credit [HF 2280](#)

Status of Bill: House Calendar
Committee: Ways & Means Committee (24-1)
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Lead Democrat: Rep. Jacoby
Floor Manager: Rep. Kaufmann

Background

The legislature created a tax credit for volunteer fighters and emergency medical personnel in Tax Year 2013. The initial tax credit was \$50 annually. In 2014, the credit was increased to \$100 annually and extended to volunteer reserve peace officers.

Credits are nonrefundable and cannot be carried forward. Volunteers who are part-time receive a pro-rated credit based on the number of months volunteered. Claimants must be members of active departments and must meet minimum training requirements.

The credit is claimed by approximately 13,400 claimants annually. The average credit claimed is \$97. The median household income of claimants is estimated at \$69,100. Based on the estimated number of eligible volunteers in the state, the Department of Revenue estimates 78% utilization of the credit.

Bill Summary

Increases the volunteer fire fighter and volunteer emergency medical services personnel member credit from \$100 to \$200 annually. HF 2280 also increases the reserve peace officer credit from \$100 to \$200 annually.

The bill is retroactive to Tax Year 2020, meaning taxpayers filing individual income taxes in April 2021 will be able to claim the increased credit.

Fiscal Summary

The increased credit will reduce the General Fund by approximately \$1.2 million annually beginning in FY 2021. The credit will also reduce the annual revenue for local option income surtaxes by approximately \$35,000.

Amendment Summary

H-8047 by Jacoby

Increases the credit from the current statutory \$100 to \$500 annually.