

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2017 REGULAR SESSION**

MEASURE

2017 BR NUMBER **0073**

HOUSE BILL NUMBER **15**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to a tax credit for volunteer firefighters.**

SPONSOR **Representative R. Nelson**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(\$13,200,000)	
EXPENDITURES			
NET EFFECT		(\$13,200,000)	

() indicates a decrease/negative

MEASURE'S PURPOSE: The stated purpose of this proposal is to increase the number of certified volunteer firefighters actively volunteering with qualified fire departments in the Commonwealth. This proposal accomplishes that purpose by providing the firefighter with a \$1,000 refundable individual income tax credit for taxable years 2017, 2018, 2019, and 2020.

PROVISIONS/MECHANICS: Creates a new section of KRS Chapter 141 to establish a refundable individual income tax credit for certain volunteer firefighters; declares the purpose of the credit; requires annual reporting to the Legislative Research Commission to evaluate the impact of the credit; amends KRS 141.0205 to provide the ordering of the credit and makes technical corrections.

FISCAL EXPLANATION: There are approximately 10,200 volunteer firefighters that have been certified by the Commission on Fire Protection Personnel Standards and Education and an additional 6,000 volunteer firefighters that have yet to complete the required hours of training. Once a volunteer firefighter has been certified, they are always certified. For purposes of this analysis, it is assumed that all volunteer firefighters currently certified will receive the tax credit

and an additional 3,000 of the remaining volunteer firefighters will receive certification and be eligible for the tax credit in taxable year 2017. Therefore, if enacted, this proposal would have an estimated negative fiscal impact of \$13,200,000 in FY 2017-2018.

If this proposal is successful in increasing the number of certified volunteer firefighters, the negative fiscal impact will increase in the out years by \$1,000 for every new certified volunteer firefighter.

DATA SOURCE(S): Kentucky Community and Technical College System

PREPARER: Jennifer Hays NOTE NUMBER: 13 REVIEW: JRS DATE: 1/5/2017