

ASSEMBLY, No. 927

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 9 (Atlantic, Burlington and Ocean)

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SYNOPSIS

Allows certain volunteer firefighters, rescue and first aid squad members to claim \$5,000 income tax deduction.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 7/9/2020)

1 **AN ACT** providing exemptions from gross income for certain
2 members of volunteer fire companies, first aid squads and rescue
3 squads and supplementing chapter 3 of Title 54A of the New
4 Jersey Statutes.

5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8

9 1. As used in this act:

10 a. "Duty hours" means the hours during which a member of a
11 volunteer fire department or force or first aid or rescue squad has
12 committed himself to respond to any alarm that may occur, whether
13 or not an alarm actually occurs during those hours.

14 b. "10% of rescue duty" means (1) for volunteers without duty
15 hours, the actual recorded attendance and rendering of first aid or
16 other rescue service at not less than 10% of the regular alarms and
17 60% of the drills for first aid or rescue service answerable by
18 volunteers during a calendar year, or (2) for volunteers with duty
19 hours, at least 400 duty hours during any calendar year of which not
20 more than 50% may be for drills.

21 c. "60% of fire duty" means (1) for volunteers without duty
22 hours, the actual recorded attendance and rendering of fire service
23 at not less than 60% of the regular alarms and 60% of the drills for
24 fire service as responded to by the responding department or force
25 during a calendar year, or (2) for volunteers with duty hours, at
26 least 400 duty hours during any calendar year of which not more
27 than 50% may be for drills.

28 d. "Volunteer" means a person who is a member of a volunteer
29 fire company, first aid squad or rescue squad.

30

31 2. In addition to the exemptions allowed under N.J.S.54A:3-1,
32 a taxpayer shall be allowed an additional exemption of \$5,000
33 which may be taken as a deduction from the taxpayer's State gross
34 income if the taxpayer served as a volunteer during the entire tax
35 year for which the deduction is claimed and if:

36 a. The taxpayer performed 10% of rescue duty and had, by
37 January 1 of the tax year, passed a training program approved by
38 the New Jersey State First Aid Council or qualified as an
39 emergency medical technician according to the standards
40 established by the Department of Health and Senior Services; or

41 b. The taxpayer performed 60% of fire duty and had by January
42 1 of the tax year, attained the rank of Firefighter I Certified
43 according to the standards established by the International Fire
44 Service Training Association or equivalent standards approved by
45 the Commissioner of Community Affairs.

46

47 3. a. An official in charge of a first aid or rescue squad shall
48 no later than March 31 of each year file with the Department of

1 Health and Senior Services a list of the members of the squad who
2 qualify for an additional exemption for a preceding calendar year
3 under this act and who meet the qualifications set forth in section 2
4 of this act.

5 b. An official in charge of a fire department or force shall no
6 later than March 31 of each year file with the Department of
7 Community Affairs a list of all the members of the department or
8 force who qualify for an additional exemption for a preceding
9 calendar year under this act and who meet qualifications set forth in
10 section 2 of this act.

11 c. An official in charge of a fire department or force, or first
12 aid or rescue squad who files a false list under subsection a. or b. of
13 this section with the intent of aiding another person in the willful
14 evasion of a tax or a lawful requirement under N.J.S.54A:1-1 et seq.
15 shall be prosecuted under section 29 of P.L.1987, c.76 (C.54:52-
16 19).

17
18 4. a. A taxpayer shall not be entitled to a deduction under this
19 act of more than \$5,000 in any one tax year. A taxpayer who is
20 entitled to a deduction under this act shall submit a claim,
21 accompanied by proof of the right to such a deduction, in a manner
22 as the Director of the Division of Taxation may by regulation
23 provide.

24 b. The Commissioner of Community Affairs and the
25 Commissioner of Health and Senior Services shall make available
26 to the director the files on volunteers which are collected under
27 section 3 of this act so that the director may verify a claim for a
28 deduction.

29
30 5. The Commissioner of Community Affairs shall adopt rules
31 and regulations in accordance with the "Administrative Procedure
32 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), in order to effectuate
33 the provisions of this act.

34
35 6. This act shall take effect immediately and shall apply to tax
36 years commencing after the December 31 next following enactment.

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38

39 STATEMENT

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41 This bill permits volunteer firefighters and first aid or rescue
42 squad members to claim an additional exemption of \$5,000 to be
43 taken as a deduction from their gross income if they meet certain
44 qualifications.

45 Under the bill, firefighters may claim the \$5,000 deduction if
46 they: 1) volunteered during the entire tax year; 2) performed 60% of
47 fire duty; and 3) had, by January 1st of the tax year, attained the
48 rank of Firefighter I Certified according to approved standards. To

1 satisfy the "60% of fire duty" requirement, volunteer firefighters
2 without duty hours must have responded to 60% of the regular
3 alarms and drills in which the department or force participated and
4 volunteer firefighters with duty hours must have at least 400 duty
5 hours during a calendar year of which not more than 50% was for
6 drills.

7 First aid or rescue squad members may claim the deduction if
8 they: 1) volunteered during the entire tax year; 2) performed 10%
9 of rescue duty; and 3) had, by January 1st of the tax year, either
10 passed an approved training program or qualified as an emergency
11 medical technician. To satisfy the "10% of rescue duty"
12 requirement, first aid or rescue squad members who volunteer with
13 duty hours must complete at least 400 hours of duty during the year,
14 of which not more than 50% is for drills. If they volunteer without
15 duty hours, the squad members must attend and render first aid at
16 not less than 10% of the regular alarms and participate in 60% of
17 the drills.

18 The bill defines duty hours as those during which volunteers
19 committed themselves to respond to alarms.

20 The bill requires eligible volunteers to submit proof with their
21 tax claim that they are entitled to the deduction. The Director of the
22 Division of Taxation is responsible for establishing the manner of
23 this proof.

24 An official of each fire department or force is responsible for
25 providing a list of firefighters who are eligible for the deduction for
26 the previous tax year to the Department of Community Affairs by
27 March 31st. Similarly, an official of the rescue or first aid squad is
28 responsible for providing a list of squad members who are eligible
29 for the deduction for the previous tax year to the Department of
30 Health and Senior Services by March 31st. The lists are to be made
31 available to the Director of the Division of Taxation for verification
32 purposes. An official who files a false list is subject to prosecution
33 under section 29 of P.L.1987, c.76 (C.54:52-19), which makes it a
34 crime of the fourth degree to knowingly certify a false statement
35 with the intent to evade a tax. Fourth-degree crimes are punishable
36 by a term of imprisonment of up to 18 months, a fine of up to
37 \$10,000, or both.