

IRS PUBLISHES GUIDELINES FOR IMPLEMENTATION OF VOLUNTEER RESPONDER INCENTIVE PROTECTION ACT

In December 2007, the Volunteer Responder Incentive Protection Act (VRIPA) was signed into law, prohibiting the federal government from taxing any property tax benefits and up to \$360 per year of any other type of benefit provided to volunteers firefighters and EMS personnel by a state or local unit of government. Language was included in the Heroes Earnings Assistance and Relief Tax (HEART) Act, which was signed into law on June 17, clarifying that those benefits exempted from federal gross income are also exempt from social security and Medicare (FICA) tax. Since passage of the HEART Act, the Internal Revenue Service has posted instructions online

(<http://www.irs.gov/govt/fslg/article/0,,id=184221,00.html>) explaining the new tax benefits and how volunteers can take advantage of them.

Some states and many local units of government have discovered that providing benefits to volunteer first responders helps boost retention and recruitment. Volunteer benefits come in various forms, including length of service award programs (pension-like programs for volunteer first responders), various tax and fee reductions, small cash payments for responding to emergency calls, and reimbursement for expenses incurred. The federal government has historically taxed these benefits as income, reducing their incentive value to volunteers and creating administrative problems for state and local units of government.

Passage of VRIPA was a top priority for the National Volunteer Fire Council (NVFC). Since last December, the NVFC has been working closely with the Office of Congressman John Larson (D-CT), the author of the original VRIPA legislation, to ensure that the new law is implemented in a manner that reflects the intent of Congress and the letter of the law. VRIPA is in effect for the 2008 tax year.

If you have any questions about VRIPA, the HEART Act, or anything involving the new tax benefits for volunteer emergency responders, please contact Dave Finger, NVFC Director of Government Relations, at (202) 887-5700, ext. 12 or dfinger@nvfc.org.



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