

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 52** HLS 23RS 192  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 17, 2023 7:10 PM	<b>Author:</b> JOHNSON, MIKE
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Personal Income Tax: Credit for Volunteer Firefighters	

TAX CREDITS OR DECREASE GF RV See Note Page 1 of 1  
 Establishes an individual income tax credit for volunteer firefighters

Current law authorizes an individual income tax deduction of \$500 for recreation volunteers and volunteer firefighters with certain criteria stipulated for eligibility. Volunteer firefighters must complete 30 hours of volunteer time during the year.

Proposed law repeals the deduction for volunteer firefighters (the recreational volunteer deduction is retained) and authorizes a refundable individual income tax credit for \$1,000. The criterion of 30 hours of volunteer time per year is eliminated and replaced with the following criteria for an eligible volunteer firefighter: is at least 24 hours of firefighter continuing education (no time element), is an active member of the LA State Firemen’s Association or on the departmental personnel roster of the Volunteer Firefighter Insurance Program of the State Fire Marshall, and is a Louisiana taxpayer.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

The Department of Revenue may incur costs related to system and form changes for removing the volunteer firefighters from the volunteer deduction and instituting a new personal income tax credit. In considering this bill along with others during this session that increase the responsibilities of the department, additional resources may be required.

**REVENUE EXPLANATION**

The bill will increase the potential liability offset from \$21 at the maximum rate of 4.25% to \$500 with a refundable credit. Thus, the net effect of each claimant is a reduction in state general fund of \$479 (\$500 refundable credit less the current \$21 liability reduction due to the deduction). The state’s exposure is through the state general fund and is dependent upon the effective rate of the volunteer firefighter taking the deduction and the number of deductions.

An authoritative source for the number of volunteer firefighters in the state is unavailable at the time of the writing of this analysis, although a forthcoming roster review by the State Fire Marshall may yield a current, precise number. However, a rough estimate may be made by utilizing the number of professional firefighters in the state (provided by LWC 2021 Occupational Estimates), compared to a national average of the ratio of professional firefighters to volunteers (provided by a 2022 National Fire Protection Association report). LWC estimates approximately 7,900 professional firefighters statewide (including first-line supervisors) for 2021, and the NFPA report estimates that professional firefighters constitute approximately 35% of firefighters, with volunteers making up 65%. Applying this ratio to LA professional firefighters yields an estimate of 14,700 volunteers, many of which would presumably be eligible for the credit.

For illustrative purposes, in a scenario where all 14,700 estimated volunteers are eligible for the deduction (either participating in the Association or subscribing to the Insurance Program), and claim the credit, state general fund would decline by approximately \$7.4 million. The \$7.4 million figure would be partially offset by volunteers losing the deduction in current law, resulting in a net revenue loss of approximately \$7.1 million.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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