



Volunteer Responder Incentive Protection Act (H.R. 1241/S. 1210)

- **Request: Co-sponsor H.R. 1241/S. 1210**
- **What does VRIPA do?**

The Volunteer Responder Incentive Protection Act (VRIPA) allows communities to provide volunteer firefighters and EMS personnel with property tax reductions and/or up to \$600 per year of recruitment and retention incentives without those benefits being subject to federal income tax and withholding.

- **Why do communities provide recruitment and retention incentives?**

A volunteer firefighter in the United States donates services worth, on average, approximately \$18,000 per year to the department that he or she belongs to. Without those donated services many communities would be unable to provide emergency services protection at all while others would be forced to raise taxes to pay salaries and benefits for full- or part-time staff.

Unfortunately, emergency services agencies are finding it increasingly difficult to recruit and retain the next generation of volunteers. Over the past six years the number of volunteer firefighters in the United States has declined by 41,000 or about five percent. At the same time, in small communities where volunteer firefighters are nearly ubiquitous, more than 30 percent of firefighters are 50 years of age or older, up from just 18 percent in 2000.

In order to bolster recruitment and retention many fire and EMS agencies now provide non-monetary gifts, reductions in property taxes or other fees, per-call payments, stipends and/or retirement benefits. Volunteer benefits are typically small but demonstrate community support, which builds morale.

- **Why should minor volunteer benefits be exempted from taxation as income?**

As volunteer incentives have become more common, the Internal Revenue Service has made ensuring that benefits are properly reported and taxed a priority – at least in some parts of the country. A decade ago, volunteer fire departments in Oregon and Connecticut were audited and fined for improperly reporting benefits. Since then the NVFC has heard from departments in other states that had corrective actions initiated against them by the IRS.

Concerns over becoming the target of an IRS investigation only add to the significant burden that having to process tax paperwork and withholding for dozens of volunteer emergency responders imposes on small communities that may not employ anyone or have administrative staff. Passing VRIPA would allow agencies to provide minor benefits without having to worry about being audited by the IRS. It would also enhance the incentive value of volunteer benefits by allowing individuals to keep the entire amount.

H.R. 1241 was introduced by Representatives John Larson (D-CT) and Mike Kelly (R-PA). S. 1210 was introduced by Senators Susan Collins (R-ME) and Ben Cardin (D-MD).