



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2085

PRINTER'S NO. 2758

PRIME SPONSOR: Fleming

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	See fiscal impact	See fiscal impact

SUMMARY:

House Bill 2085 provides eligible volunteer firefighters with a personal income tax exemption related to qualifying retirement income.

ANALYSIS:

House Bill 2085 amends the Tax Reform Code (Act 2 of 1971) to exclude the following from compensation subject to the personal income tax:

- contributions by a fire company, fire department or sponsoring municipality to eligible volunteer firefighters' defined benefit or defined contribution plan
- distributions of contributions by a fire company, fire department or sponsoring municipality to an eligible volunteer firefighter's defined benefit or defined contribution plan

To qualify for the exemption, an eligible volunteer firefighter must be at least 65 years of age and be an active or vested member who performed service in the protection of life and property from fire in connection with a fire company or fire department.

In current law, Title 35, Chapter 74 permits funds of any volunteer firefighters' relief association to be spent on a "length of service award program," which provides tax-deferred income benefits to active volunteer members of a fire service.

House Bill 2085 would take effect immediately and apply to tax years commencing on or after January 1, 2024.

FISCAL IMPACT:

House Bill 2085 will have a negative impact on commonwealth funds. The impact will be minimal due to the relatively small number of volunteer firefighters that receive a modest length of service award.

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House Appropriations Committee (D)

DATE: October 23, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.