



HB

150th GENERAL ASSEMBLY

FISCAL NOTE

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**BILL:** HOUSE BILL NO. 229  
**SPONSOR:** Representative Carson  
**DESCRIPTION:** AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO PERSONAL INCOME TAX.

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**Assumptions:**

1. This Act becomes effective upon signature by the Governor and takes effect on January 1, 2021 (Fiscal Year 2022).
2. This Act increases the non-refundable income tax credit for active members of the Delaware volunteer fire, ambulance, or rescue service company or its auxiliary, from \$400 to \$500.
3. The current Volunteer Firefighter's Credit allows residents who are active emergency service volunteers to claim the \$400 credit against their income tax otherwise due. In order to qualify for the credit, a person must be:
  - (i) an active volunteer firefighter on call to fight fires on a regular basis; and,
  - (ii) a voting member of a Delaware volunteer company; or,
  - (iii) a voting member of a Delaware fire company auxiliary; or,
  - (iv) an active member of a Delaware volunteer ambulance or rescue service.
4. The Department of Finance's 2017 Tax Preference Report identifies estimated revenue losses related to the current volunteer's firefighter's credit at \$1.7 million for fiscal year 2018. An assumed 4,250 credits applied against taxpayer liability in fiscal year 2018 (\$1.7 million / \$400).

Assuming a similar number of credits in fiscal years 2020-2022, an increase in the credit amount, \$400 to \$500, would increase the estimated revenue loss by roughly \$425,000 (\$100 increase X 4,250).

**Est. revenue loss:**

Fiscal Year 2020: \$0

Fiscal Year 2021: \$0

Fiscal Year 2022: \$425,000

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Prepared by Art Jenkins  
Office of the Controller General