**151st GENERAL ASSEMBLY**
**FISCAL NOTE**

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| **BILL:** | **SENATE BILL NO. 189** |
| **SPONSOR:** | **Senator Ennis** |
| **DESCRIPTION:** | **AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO PERSONAL INCOME TAX.** |

**Assumptions:**

1. This Act becomes effective upon signature by the Governor and takes effect for tax years beginning January 1, 2022.

2. This Act increases the non-refundable credit for any resident individual who is an active member during the tax year of a Delaware volunteer fire, ambulance, or rescue service company or its auxiliary from $500 to $1,000.

3. The provision allows Delaware residents who are active emergency service volunteers to claim a $500 credit against their income tax otherwise due. In order to qualify for the credit, a person must be:
   - an active volunteer firefighter on call to fight fires on a regular basis; and,
   - a voting member of a Delaware volunteer company; or,
   - a voting member of a Delaware fire company auxiliary; or,
   - an active member of a Delaware volunteer ambulance or rescue service.

4. According to the Department of Finance, approximately 4,700 taxpayers currently claim the existing $500 credit. Sixteen percent (752) of these taxpayers already eliminate their entire tax liability at the current $500 credit level and thus would receive no additional benefit from increasing the credit to $1,000. An additional sixteen percent (752) would not receive the benefit of the full $500 increase as their tax liability is less than $500.

5. Assuming a similar number of credits for FY 2023 – FY 2025 and adjusting for those who would not receive the full benefit of the credit increase would result in an increased General Fund revenue loss associated with the credit of $1.8 million.

| **Costs:** | **General Fund Revenue Loss:** |
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| Fiscal Year 2022: | $0 |
| Fiscal Year 2023: | $1.8 million |
| Fiscal Year 2024: | $1.8 million |

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