



**151st GENERAL ASSEMBLY
FISCAL NOTE**

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.

<u>Costs:</u>	General Fund Revenue Loss:
Fiscal Year 2022:	\$0
Fiscal Year 2023:	\$1.8 million
Fiscal Year 2024:	\$1.8 million

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