

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2085 Session of 2024

INTRODUCED BY FLEMING, STENDER, ROWE, SCHLOSSBERG, SANCHEZ, MUNROE, SMITH-WADE-EL, M. JONES, DELLOSO, SAMUELSON, ECKER, CIRESI, MALAGARI, KIM AND CERRATO, MARCH 12, 2024

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 20, 2024

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," in personal income tax, further providing for
11 definitions and for classes of income.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Section 301 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, is amended by
16 adding definitions to read:

17 Section 301. Definitions.--Any reference in this article to
18 the Internal Revenue Code of 1986 shall mean the Internal
19 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.),
20 as amended to January 1, 1997, unless the reference contains the
21 phrase "as amended" and refers to no other date, in which case

1 the reference shall be to the Internal Revenue Code of 1986 as
2 it exists as of the time of application of this article. The
3 following words, terms and phrases when used in this article
4 shall have the meaning ascribed to them in this section except
5 where the context clearly indicates a different meaning:

6 * * *

7 (f.1) "Eligible volunteer firefighter" means a person who:

8 (1) has been approved by the authorities in control of a
9 duly organized fire company or fire department as an active or
10 vested volunteer firefighter of the fire company or fire
11 department; and

12 (2) is actually performing service in the protection of life
13 and property from fire or other emergency, accident or calamity
14 in connection with which the services of the fire company or
15 fire department are required.

16 * * *

17 (s.3) "Service award" means a benefit payable to an eligible
18 volunteer firefighter.

19 (s.4) "Service award program" means a volunteer firefighter
20 defined benefit plan or volunteer firefighter defined
21 contribution plan established or maintained by a fire company,
22 fire department or sponsoring municipality.

23 * * *

24 (x) "Volunteer firefighter defined benefit plan" means a
25 program that provides to eligible volunteer firefighters a
26 benefit that is definitely determinable under the program and
27 without reference to the amount contributed to the program on
28 the participant's behalf or to any income, expenses, gains or
29 losses or forfeitures of other participants under the program.

30 (y) "Volunteer firefighter defined contribution plan" means

1 a program that provides to eligible volunteer firefighters a
2 benefit as the result of definite and determinable contributions
3 paid to the program and without reference to any income,
4 expense, gains or losses or forfeitures of other participants
5 under the program.

6 Section 2. Section 303(a)(1) of the act is amended by adding
7 ~~a subparagraph~~ SUBPARAGRAPHS to read: <--

8 Section 303. Classes of Income.--(a) The classes of income
9 referred to above are as follows:

10 (1) Compensation.

11 * * *

12 (v) Contributions by a fire company, fire department or
13 sponsoring municipality to a taxpayer's service award as part of
14 a service award program shall not be considered compensation for
15 purposes of this article.

16 (VI) DISTRIBUTIONS OF CONTRIBUTIONS BY A FIRE COMPANY, FIRE <--
17 DEPARTMENT OR SPONSORING MUNICIPALITY TO A TAXPAYER'S SERVICE
18 AWARD AS PART OF A SERVICE AWARD PROGRAM SHALL NOT BE CONSIDERED
19 COMPENSATION FOR PURPOSES OF THIS ARTICLE, PROVIDED THAT THE
20 TAXPAYER IS AT LEAST 65 YEARS OF AGE.

21 * * *

22 Section 3. This act shall apply to taxable years commencing
23 on or after January 1, 2024.

24 Section 4. This act shall take effect in 60 days.