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.

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

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