

110TH CONGRESS
1ST SESSION

S. 1466

To amend the Internal Revenue Code of 1986 to exclude property tax rebates and other benefits provided to volunteer firefighters, search and rescue personnel, and emergency medical responders from income and employment taxes and wage withholding.

IN THE SENATE OF THE UNITED STATES

MAY 23, 2007

Mr. DODD (for himself and Mr. SMITH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exclude property tax rebates and other benefits provided to volunteer firefighters, search and rescue personnel, and emergency medical responders from income and employment taxes and wage withholding.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXCLUSION OF PROPERTY TAX REBATES AND**
 2 **OTHER BENEFITS PROVIDED TO VOLUNTEER**
 3 **FIREFIGHTERS, SEARCH AND RESCUE PER-**
 4 **SONNEL, AND EMERGENCY MEDICAL RE-**
 5 **SPONDERS FROM INCOME AND EMPLOYMENT**
 6 **TAXES AND WAGE WITHHOLDING.**

7 (a) EXCLUSION FROM GROSS INCOME.—

8 (1) IN GENERAL.—Part III of subchapter B of
 9 chapter 1 of the Internal Revenue Code of 1986 (re-
 10 lating to items specifically excluded from gross in-
 11 come) is amended by inserting after section 139A
 12 the following new section:

13 **“SEC. 139B. PROPERTY TAX REBATES AND OTHER BENE-**
 14 **FITS PROVIDED TO VOLUNTEER FIRE-**
 15 **FIGHTERS, SEARCH AND RESCUE PER-**
 16 **SONNEL, AND EMERGENCY MEDICAL RE-**
 17 **SPONDERS.**

18 “(a) EXCLUSION.—Gross income shall not include a
 19 qualified property tax rebate or other benefit.

20 “(b) QUALIFIED PROPERTY TAX REBATE OR OTHER
 21 BENEFIT.—For purposes of subsection (a)—

22 “(1) IN GENERAL.—The term ‘qualified prop-
 23 erty tax rebate or other benefit’ means a rebate of
 24 real or personal property taxes, or any other benefit,
 25 provided by a State or political subdivision on ac-

count of services performed as a member of a qualified volunteer emergency response organization.

“(2) QUALIFIED VOLUNTEER EMERGENCY RESPONSE ORGANIZATION.—The term ‘qualified volunteer emergency response organization’ means any volunteer organization—

“(A) which is organized and operated to provide firefighting, search and rescue, or emergency medical services for persons in the State or political subdivision, as the case may be, and

“(B) which is required (by written agreement) by the State or political subdivision to furnish firefighting, search and rescue, or emergency medical services in such State or political subdivision.”.

(2) CLERICAL AMENDMENT.—The table of sections for such part is amended by inserting after the item relating to section 139A the following new item:

“Sec. 139B. Property tax rebates and other benefits provided to volunteer firefighters, search and rescue personnel, and emergency medical responders.”.

(b) EXCLUSION FROM EMPLOYMENT TAXES.—

(1) SOCIAL SECURITY TAXES.—

(A) Section 3121(a) of the Internal Revenue Code of 1986 (relating to definition of wages) is amended by striking “or” at the end

1 of paragraph (21), by striking the period at the
 2 end of paragraph (22) and inserting “; or”, and
 3 by inserting after paragraph (22) the following
 4 new paragraph:

5 “(23) any qualified property tax rebate or other
 6 benefit (as defined in section 139B(b)).”.

7 (B) Section 209(a) of the Social Security
 8 Act is amended by striking “or” at the end of
 9 paragraph (18), by striking the period at the
 10 end of paragraph (19) and inserting “; or”, and
 11 by inserting after paragraph (19) the following
 12 new paragraph:

13 “(20) Any qualified property tax rebate or
 14 other benefit (as defined in section 139B(b) of the
 15 Internal Revenue Code of 1986).”.

16 (2) UNEMPLOYMENT TAXES.—Section 3306(b)
 17 of the Internal Revenue Code of 1986 (relating to
 18 definition of wages) is amended by striking “or” at
 19 the end of paragraph (18), by striking the period at
 20 the end of paragraph (19) and inserting “; or”, and
 21 by inserting after paragraph (19) the following new
 22 paragraph:

23 “(20) any qualified property tax rebate or other
 24 benefit (as defined in section 139B(b)).”.

1 (c) WAGE WITHHOLDING.—Section 3401(a) of the
2 Internal Revenue Code of 1986 (defining wages) is amend-
3 ed by striking “or” at the end of paragraph (21), by strik-
4 ing the period at the end of paragraph (22) and inserting
5 “; or”, and by inserting after paragraph (22) the following
6 new paragraph:

7 “(23) for any qualified property tax rebate or
8 other benefit (as defined in section 139B(b)).”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 the date of the enactment of this Act.

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